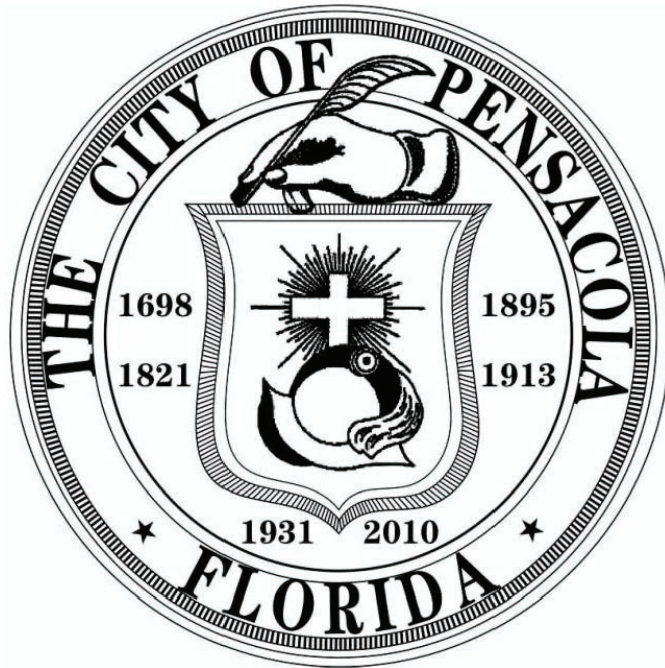




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THE CITY OF PENSACOLA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2024



Prepared by:
Financial Services Department

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CITY OF PENSACOLA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2024
TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Letter of Transmittal	1-18
Government Finance Officer's Association Certificate of Achievement	19
Organizational Chart	20-21
List of Elected and Appointed Officials	22-23

II. FINANCIAL SECTION

Independent Auditors' Report	24-27
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A. MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION)	28-50
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B. BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position	51-52
Statement of Activities	53-54

Fund Financial Statements

Governmental Funds Financial Statements

Balance Sheet	55-56
Statement of Revenues, Expenditures, and Changes in Fund Balances	57
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	58

Proprietary Funds Financial Statements

Statement of Net Position	59-60
Statement of Revenues, Expenses, and Changes in Fund Net Position	61
Statement of Cash Flows	62-63

Fiduciary Funds Financial Statements

Statement of Net Position	64
Statement of Changes in Net Position	65

**CITY OF PENSACOLA, FLORIDA
TABLE OF CONTENTS (CONTINUED)**

Notes to Financial Statements

Note I – Summary of Significant Accounting Policies	66-80
Note II – Detail Notes on All Funds	80-116
Note III – Other Information	117-143

**C. REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)**

Pension Funds – Schedule of Changes in Net Pension Liability and Related Ratios, Proportionate Share of the Net Pension Liability, Employer Contributions and Investment Returns	144-156
OPEB – Schedule of Changes in Total OPEB Liability and Related Ratios	157
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	158
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Housing Assistance Payments Fund	159
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Community Maritime Park (CMP) Management Fund	160
Notes to Required Supplementary Information	161

D. COMBINING INDIVIDUAL FUND FINANCIAL STATEMENTS

Nonmajor Governmental Funds

Balance Sheet	162-167
Statement of Revenues, Expenditures, and Changes in Fund Balances	168-173
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds	174-181
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Debt Service Funds	182

Internal Service Funds

Statement of Net Position	183
Statement of Revenues, Expenses, and Changes in Fund Net Position	184
Statement of Cash Flows	185-186

Fiduciary Funds

Statement of Net Position	187
Statement of Changes in Net Position	188

**CITY OF PENSACOLA, FLORIDA
TABLE OF CONTENTS (CONTINUED)**

III. STATISTICAL SECTION

Financial Trends

Changes in Net Position	189-190
Net Position by Component	191
Program Revenues by Function/Program	192
Fund Balances, Governmental Funds	193
Changes in Fund Balances, Governmental Funds	194-195

Revenue Capacity

Assessed Value and Estimated Value of Taxable Property	196
Direct and Overlapping Property Tax Rates	197
Principal Property Tax Payers	198
Property Tax Levies and Collections	199
Taxable Sales by Category	200
Direct and Overlapping Sales Tax Rates	201
Sales Tax Revenue Payers by Industry	202
Gas Sold in Mcfs by Type of Customer	203
Gas Rates	204

Debt Capacity

Ratios of Outstanding Debt by Type	205
Direct and Overlapping Governmental Activities Debt	206
Pledged-Revenue Coverage	207-209

Demographic and Economic Information

Demographic and Economic Statistics	210
Principal Employers	211

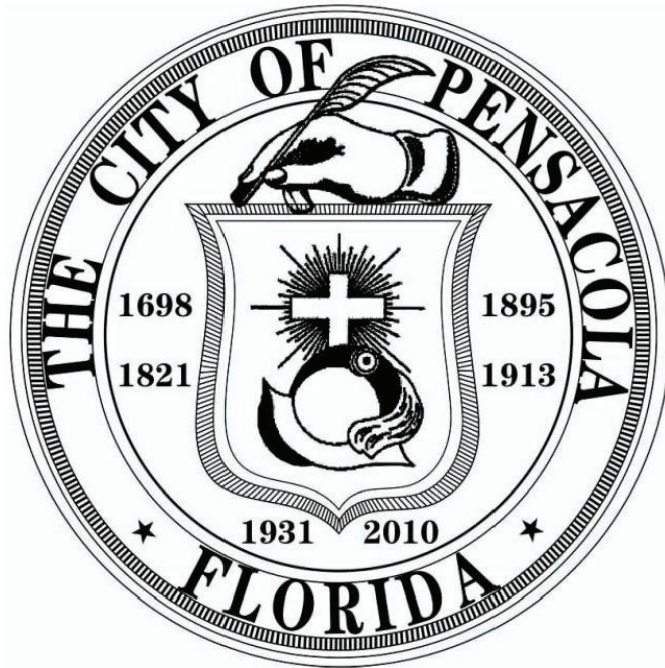
Operating Information

Operating Indicators by Function/Program	212-213
Capital Asset Statistics by Function/Program	214-215
Full-time-Equivalent City Government Employees by Function/Program	216

CITY OF PENSACOLA, FLORIDA
TABLE OF CONTENTS (CONTINUED)

IV. OTHER AUDIT REPORTS SECTION

Schedule of Expenditures of Federal Awards, Passenger Facility Charges and State Financial Assistance	217-219
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	220-221
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program, State Project and Passenger Facility Charge Program and on Internal Control Over Compliance Required by Uniform Guidance	222-224
Schedule of Findings and Questioned Costs-Federal Programs and State Projects	225-226
Summary Schedule of Prior Year Audit Findings	227
Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, Rules of the Auditor General.	228
Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill	229
Management Letter	230-232
Financial Data Schedule	233-234



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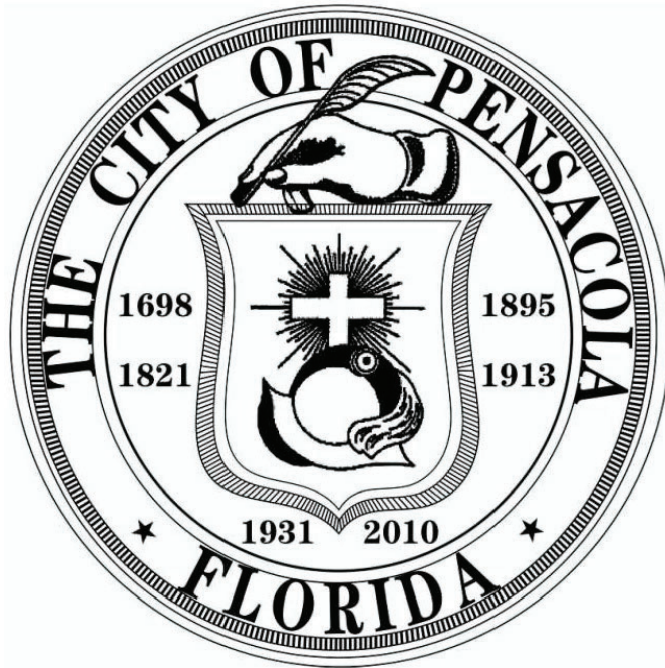
INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

CITY OF PENSACOLA ORGANIZATIONAL CHART

LIST OF ELECTED AND APPOINTED OFFICIALS



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D.C. Reeves
Mayor

March 7, 2025

The Honorable Members of the City Council
And the Citizens of City of Pensacola, FL

Pursuant to applicable Florida Statutes and sound financial management practices, the Annual Comprehensive Financial Report (Annual Financial Report) of the City of Pensacola, Florida, for the fiscal year ended September 30, 2024, has been prepared and is submitted herewith.

The City of Pensacola's Annual Financial Report was prepared by the Financial Services Department. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the City. City management believes that the report is a fair presentation of the City's financial position and results of operations as measured by the financial activity of its various funds, that presented data is accurate in all material aspects and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

This report has been presented in accordance with Generally Accepted Accounting Principles (GAAP). These principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Pensacola's MD&A can be found immediately following the report of the independent auditors.

Mayor's Initiatives

As the Chief Executive of the City of Pensacola, the Mayor and his staff serve to administer and enforce city ordinances, direct city employees providing services to citizens, and prepare and submit the city budget. In addition to these specific duties outlined in the City Charter, the Mayor also performs economic development, community outreach, and public awareness functions. Mayor D.C. Reeves was elected and sworn in as mayor in November 2022. He is the third Mayor under the City's strong mayor form of government.

Since taking office in 2022, Mayor Reeves has worked diligently with City Staff to engage the community and develop the first city-wide strategic plan, *Strive to Thrive: Pensacola 2035*. This comprehensive plan outlines a roadmap for the City of Pensacola over the next decade, with a focus on eight key goals:

- Attainable housing for all income levels
- Enhanced support for youth experiences
- Development of more walkable, mixed-use districts
- Fostering a thriving innovation sector and robust local businesses
- Ensuring safe streets for all modes of mobility
- Building resilient waterfronts and neighborhoods
- Creating public spaces that foster community connection
- Celebrating culture and honoring legacy within neighborhoods

Through *Strive to Thrive: Pensacola 2035*, the Mayor is committed to guiding the city toward a vibrant, inclusive, and sustainable future.

The Reporting Entity

The financial reporting entity includes all funds of the primary government, as well as all its component units. Component units are legally separate organizations for which the City is financially accountable and, for financial statement purposes, are either blended with the activities of the City or discretely presented. The criteria used to determine whether an organization should be a part of the City's reporting entity were those outlined by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus*.

The Downtown Improvement Board (DIB) has been classified as a component unit and is discretely presented in the City's annual financial report in a separate column in the government-wide financial statements. The Community Redevelopment Agency (CRA) also meets the definition of a component unit; however, their financial reporting is blended with the City's financial activity. In addition, Florida Statute section 163.387(8) requires an independent audit of the CRA's financial statements. A copy of the CRA's audited financial statements can be obtained by contacting the City's financial services department: City of Pensacola, 222 West Main Street, Pensacola, FL 32502.

Form of Government

The City operates under a Mayor-Council structure commonly referred to as a "Strong Mayor" form of government. With the Mayor-Council structure, the Council is the governing body of the City with all legislative powers of the City vested therein, which consisted of seven (7) Council Members, one (1) elected from each of the seven (7) election districts of the City. The Mayor is not a member of Council and does not have voting power. The Mayor's term allows for a maximum of three consecutive four-year terms of office. Beginning in January 2022 and every ten years thereafter, a Charter Review Commission will be established to review the City's charter. With the Mayor-Council structure, the Mayor replaces the City Manager as the executive head of the City and shall appoint a City Administrator to assist in managing daily operations.

The City of Pensacola provides a full range of municipal services including public works, public safety, recreation and cultural activities. In addition, the City's enterprise activities include a natural gas utility, sanitation collection system, seaport, and international airport.

Accounting and Internal Controls

The management of the City is responsible for establishing and maintaining internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss through unauthorized use or disposition; the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

Budget Process

The budget process for the City of Pensacola does not have an easily identifiable beginning or end. During each fiscal year, new initiatives for services, regulations, funding sources, better methods of providing existing services, and citizen comments are brought forward for discussion and study and implementation. Although the budget document is developed at a fixed point in time and identifies a work plan for a specific period, the budget process is fluid.

A quarterly report is provided to City Council on pertinent funds which shows a comparison of revenues and expenditures to budgeted numbers providing an update on the budget's status throughout the fiscal year. These quarterly reports are also made available to the public for a more frequent overview of the financial status relative to the budget. In accordance with Chapter 166.241, Florida Statutes, budget amendments within a fund (transfers of amounts from one line item to another) are approved by the Finance Director as the Mayor's designee and Supplemental Budget Resolutions adopted by Council are the only means to amend an adopted **budget**. Two public hearings are held before the adoption of the final budget and final millage rates.

Debt Administration

Debt administration is the responsibility of the City's Finance Director. Additional assistance is employed through the services of PFM Financial Advisors LLC, the City's Financial Advisors.

Pledged revenues for business-type debt are typically the sole pledge of net revenues from operations, however, from time to time there are pledges of specific revenue streams. In fiscal year 2024 business-type activities paid a total of \$4.7 million and \$1.3 million, respectively, for principal and interest on bonds.

Revenues traditionally pledged for general government type debt include infrastructure sales tax, local option gasoline tax, communication services tax, local business tax and tax increment revenues. The City paid a total of \$5.7 million and \$2.5 million, respectively for principal and interest, for governmental activities debt during fiscal year 2023. The City has no general obligation debt.

In order to be in compliance with all continuing disclosure requirements, the City of Pensacola issues an annual Report to Bondholders published on or before the 180th day after the end of the City's fiscal year. The Annual Comprehensive Financial Report and the Report to Bondholders should be read in conjunction to get a clear and complete understanding of the market effect on the City of Pensacola.

Pensacola Energy

Pensacola Energy, a department of the City, became a City-owned utility on April 27, 1948, upon its purchase from the Gulf Power Company. Pensacola Energy supplies natural gas to an average of 46,500 service connections and is one of the largest municipal gas distribution systems in Florida as it relates to customer base. The revenue classification for billed gas service is 42.9% residential, 24.5% commercial, 32.1% industrial and 0.5% municipal.

Pensacola Energy reported operating income before depreciation of \$15,147,853, an increase of \$3,413,898 compared to the prior year. In fiscal year 2024, operating revenue declined by \$6,436,728 (10%), while operating expenses decreased by \$9,850,626 (20%). The primary driver behind the decrease in both revenue and expenses was the lower cost of natural gas, which is directly passed on to customers and impacts service charges. In fiscal year 2024, the cost of natural gas dropped by \$8,691,550. Despite a slight decrease in rates, consumption increased by approximately 10% for residential and commercial customers. Excluding the cost of gas, operating expenses increased by \$1,159,076. Additionally, materials and supplies costs rose by \$1,124,867 due to an increase in projects during the fiscal year.

Pensacola Energy budgets for normal winters; however, actual revenues fluctuate with the cost of natural gas and weather patterns. Pensacola Energy is allowed to adjust rates annually with the Consumer Price Index (CPI) if approved by City Council. No increase was approved for fiscal year 2024.

Fiscal year 2025 operating revenues are budgeted at \$66.9 million, \$7.9 million (10%) lower than the prior year budget. The decrease in revenues for fiscal year 2024 is due to anticipated decrease in the cost of natural gas. The CPI increase for fiscal year 2025 is 15%, which allow Pensacola Energy to continue to fund replacements of residential meters, AMR remote transmitters and odorizer systems with zero-emissions as well as investments in its capital equipment such as new transmit van equipped with a camera system to inspect pipes. Fiscal year 2025 appropriations decreased \$7.9 million (10%) over fiscal year 2024 mainly due anticipated decrease in the cost of natural gas. Pensacola Energy's transfer to the General Fund decreased to \$9.5 million. The transfer complies with the City Council adopted financial planning policy which states "Long-term, the budgeted transfer should not be more than 15 percent of budgeted ESP revenue".

Sanitation Services

The City has operated a solid waste collection system for over fifty years. Sanitation service is mandatory within the city limits, and the City provides residential garbage, recycling, and trash collection once per week to approximately 22,000 customers. Commercial dumpster services are provided by private hauling companies franchised by the City and regulated by the Sanitation Services department. Residential sanitation fees are set at \$27.44 per month and support the self-sustaining Sanitation Services operation. In addition, there is a fuel and lubricant pass-through surcharge of \$1.75 per month and an equipment surcharge of \$4.12 per month for the fiscal year 2024. Funds generated by the equipment surcharge are used for replacement of sanitation equipment.

Sanitation reported operating income before depreciation of \$617,136, reflecting a decrease of \$816,104 compared to the prior fiscal year. Operating revenue declined by \$1,593,429 (15%) in fiscal year 2024, while expenses increased by \$777,325 (0.8%). The primary factor behind the decrease in both operating revenues and expenses was the transfer of Code Enforcement from Sanitation to the Police Department. In the previous year, Code Enforcement contributed nearly \$1.3 million in operating revenue and accounted for \$1.5 million in operating expenses within the Sanitation fund. Salaries and benefits rose by \$731,341 compared to the prior year. This includes a \$244,435 increase in salaries due to pay raises from pay study adjustments and a 3% cost-of-living adjustment (COLA). Pension costs increased by \$64,931 due to higher contributions, while group insurance costs rose by \$90,146 due to rate increases. Additionally, overtime and personnel expenses grew by \$243,740 due to staffing constraints. Repairs and maintenance expenses increased by \$202,284, driven by higher overhead rates and billable hours at the City's garage.

Fiscal year 2025 revenues are budgeted at \$7.29 million, \$50,000 (.68%) decrease than the prior year budget. During 2022 a rate study was conducted, and on September 15, 2022, City Council passed ordinance 28-22 that effected the fees collected for Sanitation through fiscal year 2026. The collection rate will increase of \$1.15 bringing the new rate to \$29.70 per month effective October 1, 2024. Fiscal year 2025 appropriations increased by \$46,100 over fiscal year 2024 budget mainly due to increase in operating cost for personnel.

Port of Pensacola

The Port of Pensacola, a department of the City, provides marine terminal services connecting water and land transportation. Revenues are generated through fees for wharfage, handling, dockage, rent, storage, security, and harbor services. Rates are established in a published, publicly available tariff.

The Port reported an operating loss before depreciation of \$247,819, a decline of \$705,260 compared to the previous fiscal year. Operating revenues decreased by \$640,247 (0.2%), while expenses saw a slight increase of \$65,013. The primary factor behind the decline in operating revenue was the one-time receipt of \$290,643 in insurance proceeds related to Hurricane Sally damages in 2023. Additionally, a decrease in vessel activity at the Port contributed to the revenue decline.

For decades, the Port of Pensacola has relied on Florida Seaport Transportation and Economic Development (FSTED) grants to support critical infrastructure improvements. This year the Port is moving forward with the execution of a previously awarded FSTED grant to begin construction on a new boat launch and marina facility on the eastern side. Additionally, the Port continues to manage and utilize various Florida Department of Transportation (FDOT) grants for railroad modernization, upland cargo improvements, and drainage repairs.

The Port is also actively managing and spending down various Florida Department of Transportation (FDOT) grants for railroad modernization, upland cargo improvement, drainage repairs.

Fiscal year 2025 operating revenues are budgeted at \$2.9 million, \$62,300 (.02%) lower than the prior year budget as revenues is based on historical trend information on vessel activity levels as well as current and prospective lease agreements. Fiscal year 2025 appropriations decreased by \$62,300 (.02%) over fiscal year.

Pensacola International Airport

The City of Pensacola owns Pensacola International Airport and operates the facility as an enterprise department. The Airport plays an important role in the national, state, and local air transportation systems, serving as the primary commercial service airport for northwest Florida and southeast Alabama with a principal service area encompassing Escambia, Santa Rosa, and Okaloosa Counties in Florida and Baldwin, Escambia and Mobile counties in Alabama. During fiscal year 2024, 3.03 million passengers utilized the scheduled service. According to the Bureau of Transportation Statistics data, Pensacola was ranked 89th among 765 U.S. airports in terms of the total number of scheduled enplanements as of September 2023.

The Airport had operating income before depreciation of \$10,820,978; a \$232,675 increase over the last fiscal year. The Airport Fund's operating revenues increased by \$3,771,393 (12%) in fiscal year 2024 and expenses increased by \$3,538,718 (17%). The primary reason for the increase in revenues is increased passenger traffic. The airline revenues increased by \$535,995. There was a 14.3% increase in passenger traffic resulting in a \$2.7 million increase in non-airline revenues, primarily in parking (\$1.5 million) and car rentals (\$1.2 million). Salaries increased (\$722,351) from the prior year as a result of two new positions (\$205,000) and pay raises and COLA adjustments (\$517,351). Total pension cost increased (\$161,324) due to increased contributions, while group insurance increased (\$186,226) due to rate hikes. In addition, contractual services increased by \$1.2 million mainly related to Airport's parking management, janitorial services and baggage handling contracts and consultant services related to upcoming projects. Repairs and maintenance for Airport increase by \$1.2 million due to the repairs and maintenance on existing capital assets.

Fiscal year 2024 operating revenues are budgeted at \$31.5 million, \$2.4 million (.07%) higher than the prior fiscal year budget. Non-airline revenues such as restaurant and lounge, hanger/ground leases, parking lot, and rental car customer facility charge revenues are projected to increase to a total of \$2,660,000 due to the increase in passenger traffic through the Airport. Charges to the airlines such as loading Bridge fees, landing fees, apron area rentals, and airline rentals are projected to increase slightly by \$278,000 based on the agreements with the airlines. Fiscal year 2025 operating appropriations increased by \$2.8 million (.09%) over fiscal year 2024 budgeted totals for personnel and operating services with the trending increase in airport activity.

The Airport has an operating agreement with the airlines which provides for revenues sufficient to meet operating expenses, debt service payments and capital expenditures. However, it does not provide for any incentives given to the airlines nor depreciation, which is reported on the City's financial statements as an operating expense.

Current Year Budget, Events and Future Year Plans

The Pensacola City Council approved a fiscal year 2024 budget of \$313,871,700, an increase of \$36,503,176 from the 2023 budget. Overall appropriated fund balance decreased by \$6,194,100 and overall revenue estimates increased by \$37,742,900. The General Fund anticipated an increase in revenues of \$6,406,800 (9.76%) due to a \$2,411,200 increase in property taxes because of 12.35% increase in taxable property valuation and an increase in other financing sources due to the increase in transfers from Pensacola Energy from \$8 million to \$11.1 million. The City policy allows transfers of up to 15% of Pensacola Energy's budget to the General Fund.

The Debt Service Funds anticipated an increase of \$762,300 due to increased transfers to cover debt service and reserves. The Special Revenue Funds anticipated an increase in revenues of \$3.1 million (6%) mainly due to increased Franchise Fee and Fines and Forfeiture revenues related to Code Enforcement that moved from Sanitation Fund to a new Special Revenue fund resulted in an increase of revenues of \$1.5 million. There was an increase of \$705,500 in other financing sources due to the increase in TIF property tax revenues. In addition, charges for services increased \$405,400 mainly due to the anticipated increase in parking activity. The Capital Project Funds anticipated an increase in revenues of \$70,100 due to increases in Local Option Sales Tax based on prior year receipts.

The Enterprise Funds anticipated an increase in revenues of \$26,652,200 (23%). Natural gas sales were projected at \$73.7 million an increase of \$1.9 million or 2.1% from the fiscal year 2023 budget. The increase is primarily due to increase in activity related to the prepay gas transportation customer. Sanitation revenues were projected at \$7.4 million, an increase of \$320,000 or 4% from the fiscal year 2023 budget. The increase is attributed to an increase in sanitation charges due to an increase in customer rates. Port revenues were projected at \$2.9 million, a decrease of \$116,700 or 3% from the fiscal year 2023 budget based historical trend information on vessel activity. Pensacola International Airport revenues and passenger facility charges were projected at \$29 million, an increase of \$7.7 million or 36% from the fiscal year 2023 budget. The increase is attributed to the increase in airline revenues of \$2.9 million based on the agreements with the airlines. The non-airline revenues increased by \$4.8 million primarily due to parking lot revenues. The increases in operating revenues are in line with the constituent anticipated growth of airport activity.

Departmental events and plans

The Pensacola Police Department (PPD) provides a wide range of services and programs designed to protect the lives and property of the citizens and visitors to the City of Pensacola. PPD is dedicated to enhancing community policing strategies aimed at improving communication and building strong relationships between officers and the public. The department's efforts have contributed significantly to the City of Pensacola earning the designation of America's fourth safest city in 2024. This recognition reflects the department's commitment to creating a safer and more connected community through collaborative partnerships and open lines of communication.

At the heart of the department's success is the Community Outreach Division, which plays a pivotal role in working with neighborhood associations, businesses, civic organizations, and even tourists to ensure ongoing dialogue. This proactive approach fosters trust and helps maintain a strong sense of security in the City. As part of these outreach efforts, the department regularly hosts a variety of community events, such as Coffee with a Cop, the Citizen's Police Academy, Summer Camp CHAOS, Protecting Places of Worship programs, a Children's Christmas event, and the Rally Foundation Christmas Party. These events are designed to encourage face-to-face interaction between officers and the public, further strengthening the relationship between law enforcement and the community.

In addition to direct community engagement, the PPD has worked closely with law enforcement partners at the local, state, and federal levels to enhance their operations. Through these collaborations, the department has been able to improve equipment and technology, enabling them to provide innovative, effective, and efficient policing services. Over the past fiscal year, PPD was awarded numerous grants that facilitated the purchase of critical items for crime prevention and officer safety. These investments have allowed the department to improve both its operational capabilities and its ability to address emerging challenges.

Looking ahead to fiscal year 2025, the department remains focused on crime reduction. Key initiatives include increased patrols in areas with higher rates of violent crime, burglaries, and drug-related activity. Additionally, the department will continue to deploy advanced technology in known problem areas to enhance crime prevention and improve response times. PPD will also maintain its strong collaboration with neighborhood associations to ensure residents are actively involved in the ongoing effort to make the city even safer. Through these initiatives, the Pensacola Police Department continues to evolve and improve, providing a model for community-based policing while ensuring the safety and well-being of everyone in the city.

Code Enforcement focuses on ensuring compliance with laws, ordinances, and regulations designed to maintain public safety, health, and the quality of life with the City limits. Code Enforcement activity moved from the management of Sanitation to the Police Department in the beginning of fiscal year 2024. The Code Enforcement Division initiated 5,236 new cases in fiscal year 2024 ending with a 97 percent compliance rate for the new cases. Along with illegal dumping cases and Sanitation "no service" cases, the code enforcement officers made 8,648 site visits consisting of initial investigations, follow-ups, and property postings.

The Pensacola Fire Department provides a wide range of services and programs designed to protect the lives and property of the citizens and visitors to the City of Pensacola. The department is proud to confirm it achieved the best possible Insurance Services Organization (ISO) Class 1 rating. A rating based on a class rating scale of 1 (highest) to 10 (lowest) and obtained by evaluating crucial factors such as fire suppression, which includes fire station locations, personnel, training, apparatus, and equipment; water supply, which includes fire hydrant spacing, inspections, and fire flow; and communications, which includes station alerting and dispatch, radio communication equipment, and emergency response times.

In fiscal year 2024, the Pensacola Fire Department's Logistic Division replaced aged staff vehicles with newer used vehicles from the current City fleet and completed major repairs to the Fire Station 6 generator. The Pensacola Fire Department's Training Division began phase two training for rope rescue operations and made necessary modifications to the maritime live fire training simulator. The Department's Health/Safety Division procured a State-funded grant for Cancer Decontamination Equipment.

On-going advancement in incident reporting and record management allowed the department to monitor, evaluate, and improve its processes more accurately. The Training Division improved employee training and development, creating uniformity in all-hazards training exercises and response readiness. The Fire Marshal's office bolstered the smoke alarm awareness program installing nearly 1000 smoke alarms, increasing awareness and community risk reduction.

In fiscal year 2025, we are in the process of purchasing a new Fire Apparatus, working with a vendor to manage our SOP/SOG documentation, and replacing existing gutters at Fire Administration and Fire Station 1 through ARPA Funding, we received a second award from the State grant for Cancer Decontamination Equipment and intend to purchase Battery Operated positive pressure ventilation fans. The City of Pensacola will be providing best-practice leadership training to all department supervisors as succession and transition planning continues. Upgrades to Fire Department facilities will continue.

The Parks and Recreation Department continued its commitment to improve and promote the quality of life for all citizens and visitors of Pensacola by protecting the heritage of our parks while providing a wide range of recreational, social, and educational opportunities. The City of Pensacola has a total of ninety-three parks and open spaces, along with ten community resource centers which are maintained by the Parks and Building Maintenance divisions, programmed by the Recreation division, and utilized by Pensacola residents and City organizations.

The Parks and Recreation department completed numerous park improvements in fiscal year 2024. The department installed and opened 3 new pickleball courts and 1 new sensory garden playground at one park (Armstrong), installed 14 Big Belly trash compacting garbage cans (Exchange Park, Ferdinand Plaza, MLK Plaza, Doyle Skate Park) which will reduce the frequency of servicing needs saving an estimated 104 hours of labor annually, installed 5 Water bottle fill stations (Maritime Park, Exchange Park, Roger Scott, Legion Field, Doyle Skate Park), and renovated the kitchen at Woodland Heights Resource Center. In addition, major facility upgrades were completed and opened to the public such as 18 tennis courts at Roger Scott Tennis Center, Cecil Hunter Pool house and restrooms, and Bruce Beach Park Phase I. The City was also awarded \$9M in grant funds to renovate Fricker Community Center.

In fiscal year 2025, the department will roll out technological upgrades to support the creation of a comprehensive quantitative assessment for parks and facilities. This will include the implementation of work order and asset management software, as well as enhanced online reservation systems for recreation programs, athletic field rentals, and golf course tee times. The Parks and Recreation Department will also launch Direction '25, a \$21.8 million initiative aimed at renovating, rehabilitating, and revitalizing numerous parks across the city. Furthermore, the final phase of Bruce Beach Park will be completed and opened to the public, while a community-driven design process will begin for improvements at Hollice T. Williams Park and Bay Bluffs Park.

Parks and Recreation actively partners with local corporate, non-profit, and community groups to provide service benefits to the entire community. These organizations support the Parks and Recreation Department thru sponsorships for events such as the City's annual Easter Egg Hunt, Blues on the Bay Music Series, Drive-in Movie, and Halloween Egg Haunt as well as providing support for recreational, social, and educational programs within the City's Resource Centers and parks.

The Public Works and Engineering (PW&E) Department continued to meet its mission statement of providing courteous and quality service, while maintaining the City's current infrastructure and constructing new infrastructure. Operations maintain 332 miles of roadway, 82 stormwater ponds, 118 various underground stormwater treatment units, 18 ditches, 2,352 drainage inlets and 45 stormwater outfalls, 15 of which are major outfalls.

During fiscal year 2024, Operations completed 74 sidewalk repair work orders, repaired over 80 potholes, addressed 771 traffic signal issues and 490 street light issues. Approximately 6,397 miles of roadway were swept and approximately 4,146 tons of road debris were removed. The department replaced 428 street markers and street signs, installed 47 new street markers and street signs, installed 7 speed tables, and placed over 2,500 linear feet of thermoplastic pavement markings.

Public Works and Engineering had several significant capital improvement projects completed in fiscal year 2024. Capital projects completed included a new flood mitigation project for the intersection of Summit Blvd and Piedmont Road, resurfacing 6.92 lane miles of roadway and installation of 23,776 linear feet of new sidewalk around OJ Semmes Elementary School, Audubon Drive, Tide Drive, Shades Drive, McClellan Road, Hallmark Drive and Firestone Boulevard. Additionally, 1,049 different sidewalk locations along 4.7 miles were leveled off to bring back into ADA compliance.

In fiscal year 2025, Public Works and Engineering will complete several large stormwater capital improvement projects including: an earth stabilization project behind Gull Point Community Center, the installation of new stormwater piping down a portion of Barrancas Avenue, two new stormwater outfalls to Pensacola Bay which will mitigate flooding (9th Avenue & Bayfront Parkway and Main Street & B Street), design and construction of five new stormwater treatment solutions which currently discharge into Bayou Texar, design of a new stormwater piping system down Langley Avenue and design of the Hollice T. Williams Stormwater Park. In terms of transportation and walkability, over \$200,000 will be expended in bringing existing sidewalks into ADA compliance, new sidewalks will be installed on Q Street

from Jackson to Cervantes, E. Anderson St from MLK to 6th Ave, and E. Scott St from 9th Ave to 12th Ave. and nearly \$600,000 in pavement resurfacing. Lastly, construction of a large “Welcome to Pensacola” sign.

The Facilities and Fleet Management Department was created as a separate division from public works in 2024. The Facilities and Fleet Management Department is responsible for providing preventative maintenance and repair services to city vehicles, buildings, and equipment. In addition, the department assists all City departments with new construction, repair, renovation, and maintenance of their buildings while complying with all local, state, and federal building codes. This includes overseeing architectural, mechanical, electrical, structural, plumbing, and fire protection systems. The overall goal is the health, safety and welfare of the building inhabitants while creating a functional and positive work environment to support the efficient operation of that specific City department.

The Fleet Management Division had a strong fiscal year in 2024, completing repairs on 1,442 light-duty vehicles and 1,843 heavy-duty vehicles. This reflects the department's commitment to maintaining the City's fleet in optimal condition to support efficient operations across all departments.

The Development Services Department is comprised of three divisions: Development Services Administration, Planning & Zoning, and Building Inspections. The Department is responsible for the City's long-range planning, land development and revitalization programs, as well as plan review and permitting, and the collection of Business Tax Receipts. Development Service coordinates the City's weekly “One Stop” Development Review meeting, which provides those who are interested in submitting projects for permitting the opportunity to obtain input from City staff from Planning and Zoning, Building Inspection, Fire Marshall, Public Works and Engineering among others.

Planning and Zoning continues to maintain the City's Comprehensive Plan, Planning Services also maintains the current Land Development Code (LDC) and continues to work towards encouraging urban density, mixed-use development, and implementing form-based, sustainable development guidelines to create a more walkable-built environment. Planning and Zoning is currently managing the ongoing assessment and revision of the City's Land Development Code.

Building and Inspections is responsible for conducting inspections of building construction for compliance with Florida Building Codes, local building ordinances and approved plans within the city limits. During fiscal year 2024, the department issued 8,151 permits and conducted 19,915 building inspections.

The Community Redevelopment Agency (CRA), was established in 1980 to implement the revitalization of a 1,237-block blighted area, referred as the Pensacola Inner City Community Redevelopment Area. This area encompasses 17th Avenue on the east, Pensacola Bay on the south, Bayou Chico and the City limit line on the west and the City limit line on the north. Within the Pensacola Inner City Community Redevelopment Area, there exists three Redevelopment Areas - the Urban Core Community Redevelopment Area, the Urban Infill and Redevelopment Area (commonly referred to as Eastside Community Redevelopment Area) and the Westside Community Redevelopment Area.

The Urban Core Community Redevelopment Area was established in 1984 and has facilitated a variety of public and private sector redevelopment initiatives since its inception, including streetscape, park, and commercial façade improvements and relocation of the Emerald Coast Utilities Authority (ECUA) Wastewater Treatment Plant. In 2010, public improvements to a 27-acre waterfront parcel on Pensacola Bay were completed which created the Vince Whibbs, Sr. Community Maritime Park (CMP), a multi-use athletic stadium, amphitheater and public promenade, and parcels available for private development. The pivotal redevelopment project along with other projects were made possible through the City's issuance of the Urban Core Redevelopment Revenue Bond, Series 2009.

In fiscal year 2024, the CRA held the grand opening of the Bruce Beach park, and initiated the preparation of the Equitable Development Plan (EDP), to establish principles aimed at counteracting potential negative efforts associated with the development of the Hollice T. Williams Urban Greenway. Strides were also taken towards the redevelopment of 101 West Main Street, adjacent to Pensacola Bay and of 925 East Jackson Street, to provide for long term affordable infill housing. A significant update to the Urban Core Redevelopment Plan was also underway throughout the year which will ultimately lead to the repeal and replacement of the 2010 plan with the new 2025 plan and inform new projects and redevelopment strategies.

CRA initiatives planned for fiscal year 2025 include the continuation of the CRA's established residential and commercial improvement programs, and establishment of a new incentive program for the development small scale affordable rental housing . The design of the Hollice Williams Urban Greenway (which extends into the Eastside district) as well as the potential initiation of the second phase of planning under the EDP, which will inform implementation. Finally, improvements to West Main Street from Clubbs to Barrancas (extending into the Westside district) is expected to continue during the upcoming fiscal year with construction to follow.

The Eastside Community Redevelopment Area was established in 2005. In 2018, the CRA completed reconstruction of the historic birth site of General Daniel "Chappie" James, Jr., America's first African American Four-Star General, to accommodate the operation of a commemorative museum and youth flight academy. The project was funded through the issuance of the Eastside Redevelopment Revenue Bonds, Series 2017. CRA continues to offer residential improvement programs and affordable housing initiatives. In effort to provide affordable housing, CRA purchased two affordable housing infill sites located at 1700 Dr. Martin Luther King Jr. Blvd and 2700 Dr. Martin Luther King Jr. Blvd and preliminary home plans have been substantially designed for both locations.

In fiscal year 2024, the construction of a 2nd phase of improvements to expand the campus of the General Daniel "Chappie" James, Jr. Museum and Youth Flight Academy was completed. The CRA also initiated the preparation of the Equitable Development Plan (EDP), to establish principles aimed at counteracting potential negative efforts associated with the development of the Hollice T. Williams Urban Greenway. A significant update to the Eastside Redevelopment Plan was also underway throughout the year which will ultimately lead to the repeal and replacement of the 2004 plan with the new 2025 plan and inform new projects and redevelopment strategies.

CRA initiatives planned for fiscal year 2025 include the continuation of the CRA's established residential improvement programs, and the potential initiation of analysis phase to consider

expansion of the Tax Incremental Financing (TIF) district. The design of the Hollice Williams Urban Greenway (which extends into the Urban Core district) is expected to continue during the upcoming fiscal year with construction to follow, as well as the potential initiation of the second phase of planning under the EDP, which will inform implementation.

The Westside Community Redevelopment Area was established in 2007. However, tax increment revenues were not received for many years due to the 2008 decline in property values caused by the recession. The City Council reaffirmed the existence of blight in the district, rescinded the 2007 base year for the Westside Community Redevelopment Area taxable property values and established a new base year of 2013. With a new base year set, the CRA started receiving tax increment revenues in 2015. In 2017, the City issued the Westside Redevelopment Revenue Bonds, Series 2017 to fund critical Westside redevelopment initiatives supporting blight removal and neighborhood livability.

In Fiscal Year 2024, the CRA issued a solicitation for redevelopment of the former Pensacola Motor Lodge on West Cervantes Street for affordable multifamily rental housing. A development partner was successfully selected and funding opportunities were actively sought out during the year in support of the project. A land donation agreement with the newly formed Northwest Florida Community Land Trust (CLT) for long term affordable housing infill located at 2300 West Jackson Street, A and 1491 North E Street. Construction of these homes are anticipated to be completed in the upcoming fiscal year. Design was also underway in 2024 for improvements to West Main Street from Clubbs to Barrancas (extending into the Urban Core district) and portions of L Street, Gregory Street and Wright Street, as well as rehabilitation of the former Alice Williams library. Design is expected to continue into 2025 with construction to follow. Land assembly to support park redevelopment of the American Creosote Works (ACW) superfund site continues also. Finally, a significant update to the Urban Core Redevelopment Plan was underway throughout the year which will ultimately lead to the repeal and replacement of the 2007 plan with the new 2025 plan and inform new projects and redevelopment strategies.

CRA initiatives planned for fiscal year 2025 include the continuation of the CRA's established residential and commercial improvement programs and establishment of a new incentive program for the development small scale affordable rental housing. A \$5 million Community Development Block Grant was awarded for commercial improvements along West Cervantes Street and/or Pace Boulevard. Strategizing and due diligence in support of the grant is expected to continue during 2025 and 2026, as well as strides taken towards the redevelopment of the former Baptist Hospital campus. Analysis is also anticipated to begin to consider potential expansion of the Tax Incremental Financing (TIF) district. Expansion of the district would improve connectivity to the waterfront and aid in blight removal in surrounding inner-city areas.

The CRA continues to work with private sector concerns to support a revitalized and blight free community. Investment in the Pensacola Inner City Community Redevelopment Area will assist in removing blight, maintaining housing affordability and strengthening the property tax base and potential for future revenue growth.

The Housing Department focused on continuing to address the community's needs by supporting community redevelopment projects, supportive service agencies, and concentrating on the need for decent, safe, and attainable housing to enhance the quality of life for all area residents.

During fiscal year 2024 in support of the Mayor's commitment to build stronger neighborhoods, 25 low and moderate families had their homes rehabilitated through the city's various owner-occupied rehabilitation programs, leveraging funds from federal and state sources. Funds received through the State Housing Initiatives Partnership (SHIP) program, HOME Investment Partnerships Program, and other homebuyer programs assisted 61 families in the community reach homeownership.

Through the city's Community Development Block Grant (CDBG) program public service activities supported the delivery of 25,580 nutritional meals to 105 elderlies, disabled, and special needs families. Group classes provided educational opportunities regarding home buying and foreclosure prevention for 82 households.

In response to the pandemic, the city received an award of CDBG-Coronavirus funds. The CDBG-Coronavirus funds provided 7 families with eviction and foreclosure counseling assisting them with the goal of maintaining their residence. Additionally, CDBG-Coronavirus funds provided 44 families with emergency payments for overdue mortgage and utility expenses assisting residents maintain their homes.

The Section 8 Housing Choice Voucher (HCV) Program provided rental assistance for approximately 1,850 extremely and very low-income families each month during fiscal year 2024. This reflects approximately \$1.5 million in monthly rental housing assistance in our community, paid out to an estimated 543 local landlords.

During 2024, the city continued to administer a special allocation of 33 Emergency Housing Vouchers in partnership with the Continuum of Care lead agency, Opening Doors Northwest Florida, Inc., targeting the housing needs of the homeless, victims of domestic violence, and families at risk of homelessness.

In response to the growing need for attainable housing in the community, to include the development of both rental and homeownership opportunities, the Department continues to develop new programs and seek creative solutions to address this concern for the city's residents.

Parking Department is responsible for the enforcement of state and local parking laws and ordinances for all City owned on-street and off-street parking assets within the city limits. The Parking Department also provides payment enforcement for the city's 1,486 pay-to-park spaces, maintenance of 58 payment kiosk, one city owned parking garage, four boat ramps, and five parking lots. The Parking Department also oversees the Constituent Service Division. In 2024 the Parking Department reinvested over \$800,000 of parking revenue back into the city and parking program to include the Palafox Street redesign, new touch screen parking kiosks, restriping of parking lots, new parking website with interactive maps, improved signage, new parking app, landscaping, holiday lights, public education, maintenance of facilities, and security enhancements. The City Parking Department experienced a 7% increase in single parking sessions, an 9% increase in parking permits, and a 29% increase in the number of parking citations issued over 2023.

The Constituent Services Division responds to 311 (non-emergency) citizen concerns for all seven districts, fifty-five thousand city residents, and sixteen city departments. In 2024 Constituent Services routed, tracked, and responded to 2,068 identified issues within the city limits, answered 10,956 calls, closed 2,053 citizen concern tickets, and reduced the average time to resolve a citizen concern from 32.28 days to 7.16 days. The 311 ticket subjects range from potholes to streetlights and from code violations to garbage pick-up. The 311 Department ensures that citizens' concerns regarding the safety and maintenance of city infrastructures are properly addressed, questions about city processes and programs are answered, thereby ensuring the overall quality of life for city constituents.

Pensacola Energy's (PE) vision is to be an innovative, high-value energy services provider committed to safety, performance and excellence with the continued goal to always improve customer service delivery, test and implement new service offerings, upgrade the condition of our underground gas mains and service lines and integrate new technologies to improve operational efficiency and minimize greenhouse gas emissions.

In fiscal year 2024, the department expanded radio tower coverage by adding a new AMR tower along East Nine Mile Road. In-house construction crews installed nineteen miles of natural gas main, including the replacement of seven miles of bare steel main and the installation of eleven miles to support new growth. Commercial growth remained strong, surpassing the levels recorded in fiscal year 2024.

The natural gas rate ordinance allows for an annual adjustment in rates based on the Consumer Price Index (CPI), an Infrastructure Recovery Charge as a rate component, a Weather Normalization Adjustment Factor, and a Purchase Gas Adjustment which includes a dedicated component to restore Pensacola Energy's operating reserves. A multi-year infrastructure replacement plan has been developed for the Infrastructure Recovery Charge which allows costs to be collected through rates the year following the expenses.

The Sanitation Services and Fleet Management Department is responsible for providing dependable, efficient Sanitation Services to the City residents and business establishments through residential garbage, recycling, trash collection.

In fiscal year 2024 Sanitation Services collected 38,070 tons of solid waste and 1,236 tons of recyclables. As part of the Mayor's initiative to reinvest in City neighborhoods, Sanitation Services provides the Mayor's Neighborhood Cleanup program to each City neighborhood annually. The ten neighborhood cleanups completed in fiscal year 2024 resulted in the removal of 581 tons of bulk waste, 772 old tires, and 19,368 gallons of old paint. Due to rising cost, the City discontinued its recycling program through ECUA, ceasing residential recycling services in October 2023. However, to continue providing recycling options, the City introduced a curbside recycling service for qualifying materials and established drop-off locations. Citizens can bring recyclables to the City's Recycling Center at 2750 Summit Blvd., which has designated containers for single-stream recycling, cardboard, and glass. Additionally, in October 2024, the City opened a second drop-off site at the Field Services Center (2759 N. Palafox St.), available every Saturday except on holidays or during inclement weather. After extensive research, the

City proposed a fee-based curbside recycling program in late 2024, with implementation anticipated in spring 2025.

The Port of Pensacola is a thriving economic hub in northwest Florida and a cornerstone of the City's maritime process since 1754. As one of Florida's sixteen deep-water ports, its mission is to fuel the economic engine of northwest Florida through international trade, maritime and water-dependent industries, and businesses.

In fiscal year 2024, the Port's cargo tonnage was down slightly from 2023 but still resulted in a 34% increase over the port's 10-year average. Vessel activity was also down slightly primarily due to vessel availability in key cargo sectors. Key cargo segments for the Port include imported GE Vernova wind energy generation components, bulk construction materials, palletized agricultural products, and a small volume of containerized general cargo totaling 1,200 containers (TEUs). Outbound cargo consisted of heavy construction equipment, vehicles, and miscellaneous cargo.

The Port anticipates similar cargo volumes for fiscal year 2025 with the biggest development in the Port's business lines being the scheduled fall 2025 completion of the High-Performance Maritime Center of Excellence, which will serve as the home base for the New York Yacht Club's professional sailing team, American Magic. This state-of-the-art facility is expected to create over 150 jobs when fully operational.

The Pensacola International Airport's purpose is to meet the needs of the traveling public, both commercial and private passengers, while ensuring their safety and security. To ensure those needs are met and to strategically position the Airport to meet future demands, the Airport updated their Master Plan in 2019. An airport master plan is a comprehensive study of an airport that describes the short-, medium-, and long-term development plans to meet future aviation demand, typically with a 20-year outlook. The Master Plan update addresses the recommended plan for the Airport through 2035 and drives all future capital projects. With the unprecedented growth in Escambia County, Pensacola International Airport has already exceeded the Master Plan's forecasted 2030 annual enplaned passenger numbers. In fiscal year 2024 the Airport had 3.03 million passengers utilized the scheduled service of seven airlines to fifteen plus non-stop destinations, surpassing 2023 passenger numbers of 2.65 million by 14.3%.

With the continued growth in passenger traffic, the Airport has been diligently working on moving forward with many of the projects depicted in the 2019 Master Plan Update. In 2024, the Airport kicked off several projects including the paving of a remote parking lot, the construction of a corporate apron, the reconfiguration of taxiway A7 and taxiway A/B intersection, and the design for a terminal building renewal and expansion project. Completed projects include the rehabilitation of our parking garage and replacement of the parking revenue control equipment. In 2025, the Airport plans to begin the first phase of a terminal building renewal and expansion project which will ultimately include an expanded TSA checkpoint and a new concourse. Construction will also continue the expansion of the Airport's Maintenance Repair Overhaul (MRO) Facility. MRO Hangar two construction was completed in 2023, Hangar three construction began in 2024, and Hangar four construction is anticipated to begin in 2025.

Citywide topics

In fiscal year 2024, the City lost one (1) key staff employee: the City Administrator. The City Administrator was filled on the last day of the fiscal year 2024. The vacant City Attorney, Parks & Recreation Director and Facilities & Fleet Management positions were filled in fiscal year 2024. The City experienced a 16.45% turnover rate in fiscal year 2024, an increase over the reported fiscal year 2023 rate of 15.18%. The 2024 turnover rate does not include retirements. Based on exit interviews, employees cited increased compensation/benefits from other job opportunities and relocation as the main reason for their separations.

The City has four unions which have agreements that are renegotiated on a recurring basis. The City and International Association of Firefighters' (IAFF) entered into an agreement February 22, 2024, for fiscal years October 1, 2024 through October 1, 2026. The agreement allows for the following minimum straight time pay rates as follows: Professional Firefighters minimum \$43,000.00, Lieutenants minimum \$53,750.00 and Captains minimum \$64,500.00. The agreement provides for the members to receive a 12% pay increase effective October 1, 2023, a 7% pay increase effective October 1, 2024, and a 2% pay increase effective October 1, 2025. The City and Fraternal Order Of Police – Officers union entered into a three-year agreement on December 12, 2024 for fiscal years October 1, 2024 through September 30, 2027. The Police Officers' contract provides for the members to receive a year one slotting of their pay based on total years of service with the City in line with the new pay range of minimum \$52,520.00 and maximum of \$80,017.60 over twenty years effective October 1, 2024, and 2% pay increase effective October 1, 2025, and October 1, 2026, not to exceed the maximum of \$80,017.60. The City and Fraternal Order of Police Sergeants and Fraternal Order of Police Lieutenants are currently in negotiations for a new contract.

Independent Auditors

The Florida Statutes and the City's Bond Resolutions require an annual audit of the City's financial records by an independent certified public accountant. The City's fiscal year 2023 financial statements have been audited by the certified public accounting firm of Warren Averett, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement.

The City is also required to undergo an annual audit to obtain reasonable assurance about compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects.

Reporting Achievements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pensacola for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both accounting principles generally accepted in the United States and applicable legal requirements. The City of Pensacola has been awarded a Certificate of Achievement for forty-two of its last forty-three fiscal years.

A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and will be submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

The City's accounting staff, as always, is dedicated in preparing a timely and accurate comprehensive annual financial report. Appreciation is expressed to all those who contributed to its preparation and to City Council for the continued support of a fiscally sound City government.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "D.C. Reeves".

D.C. Reeves
Mayor

A handwritten signature in blue ink, appearing to read "Amy Lovoy".

Amy L. Lovoy
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Pensacola
Florida**

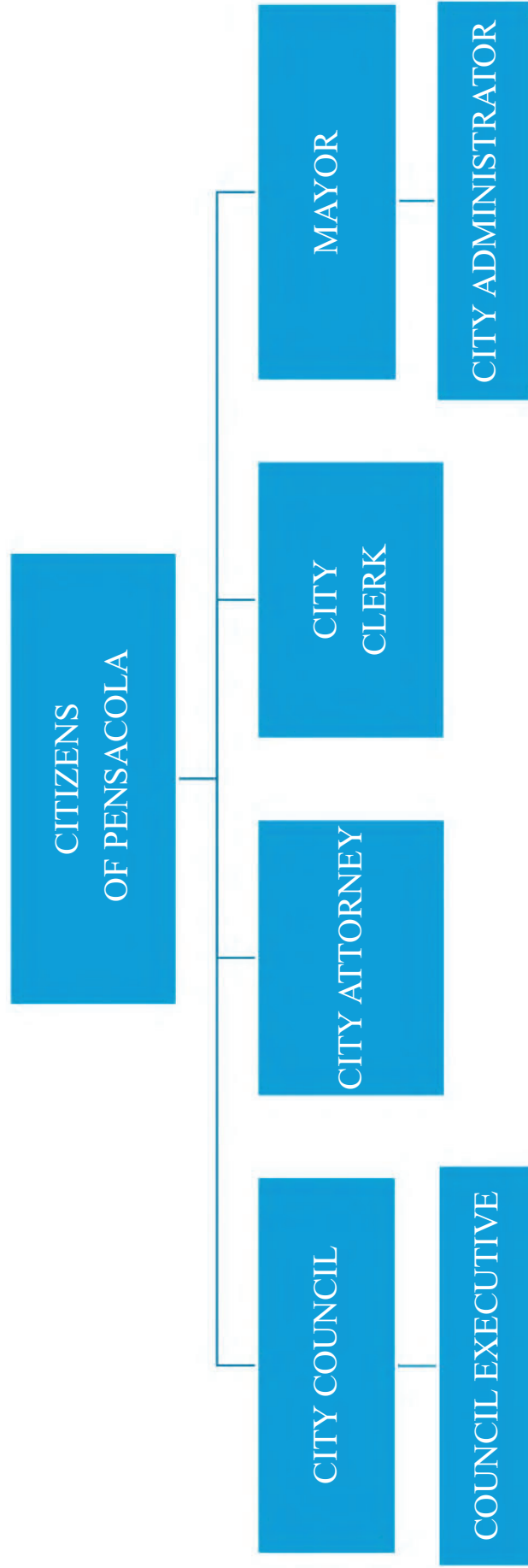
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrell

Executive Director/CEO

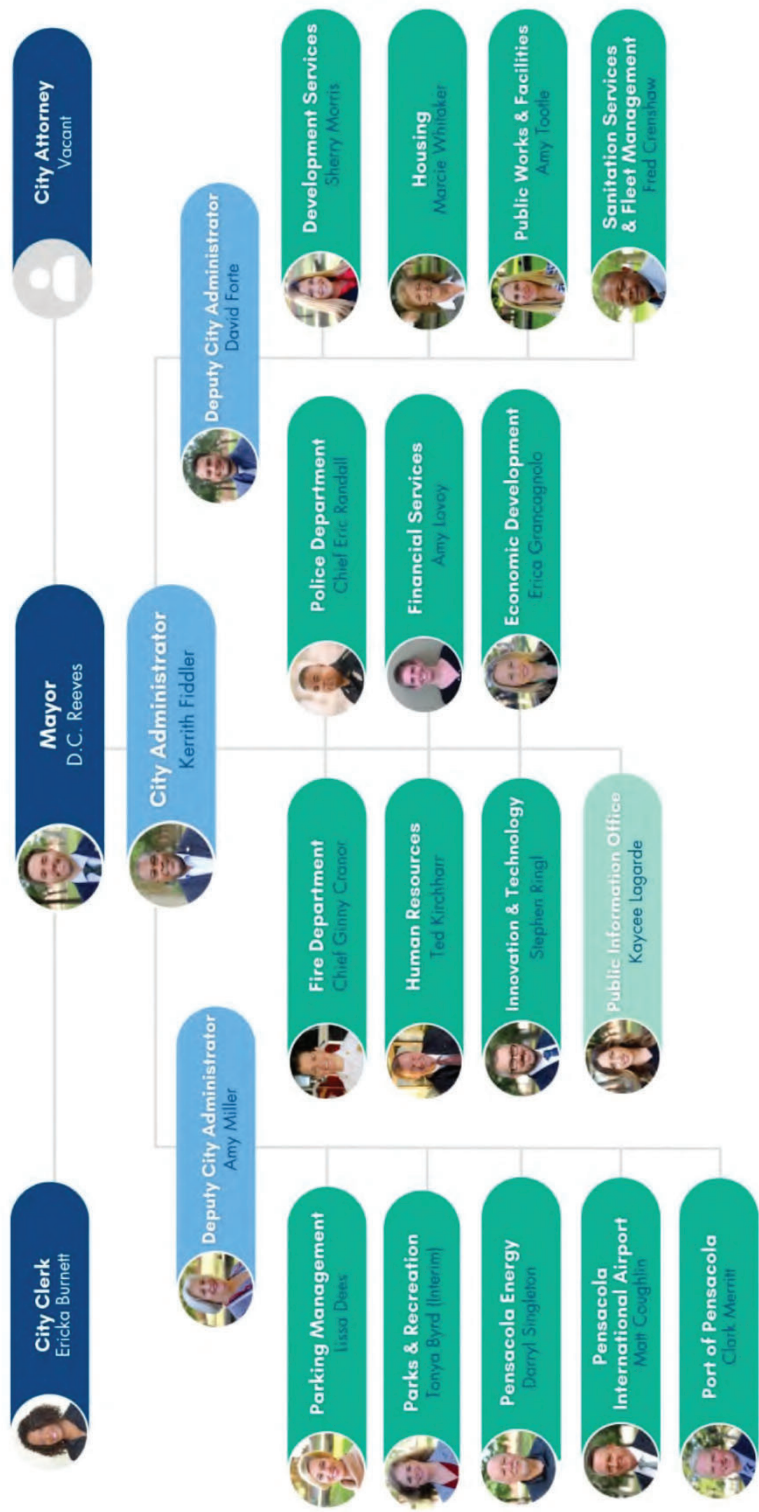
**CITY OF PENSACOLA
FISCAL YEAR 2024
ORGANIZATIONAL CHART**



CITY OF PENSACOLA

FISCAL YEAR 2024

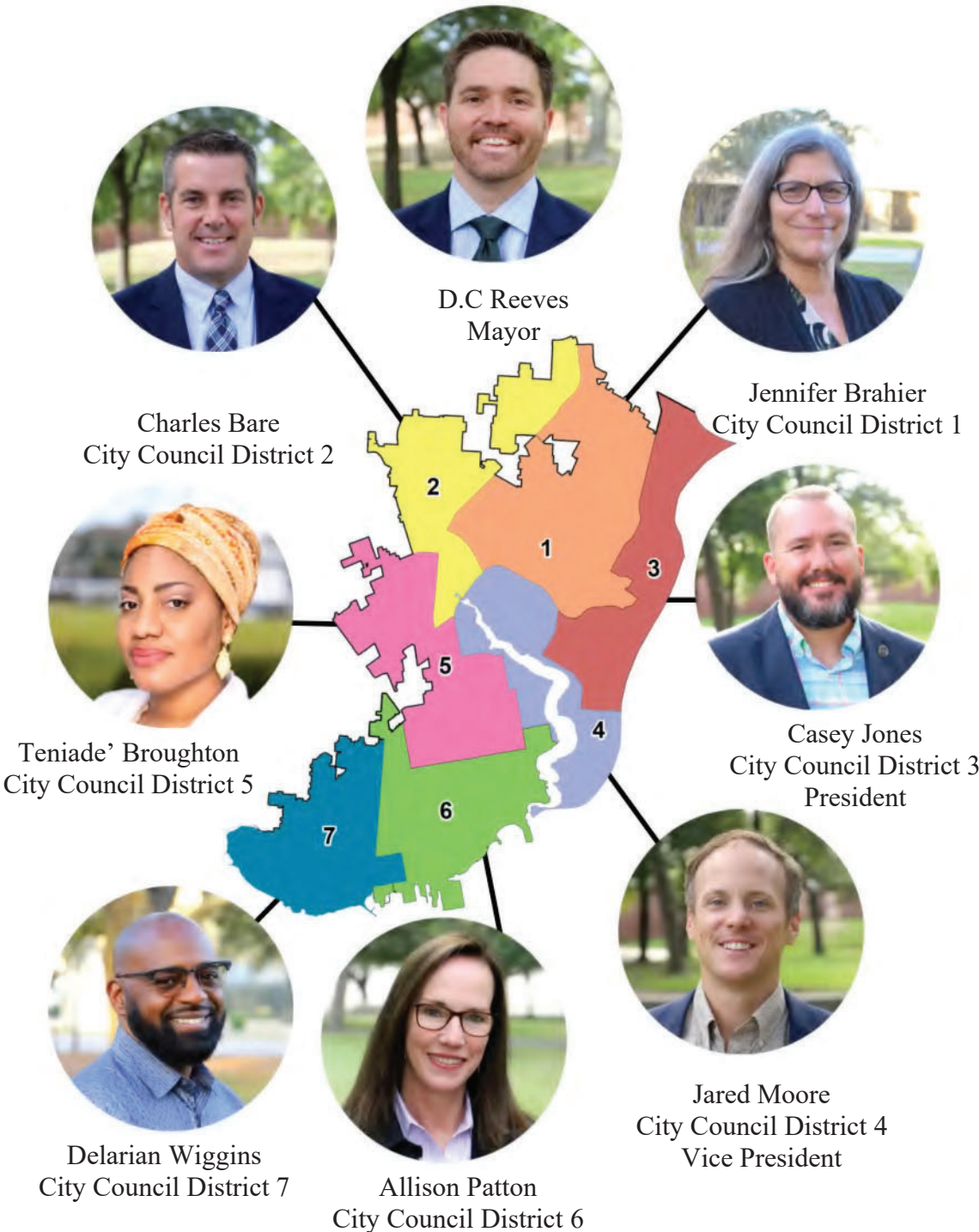
CITY REPORTING STRUCTURE CHART



● Departments ● Divisions

CITY OF PENSACOLA, FLORIDA
LISTING OF ELECTED AND APPOINTED OFFICIALS

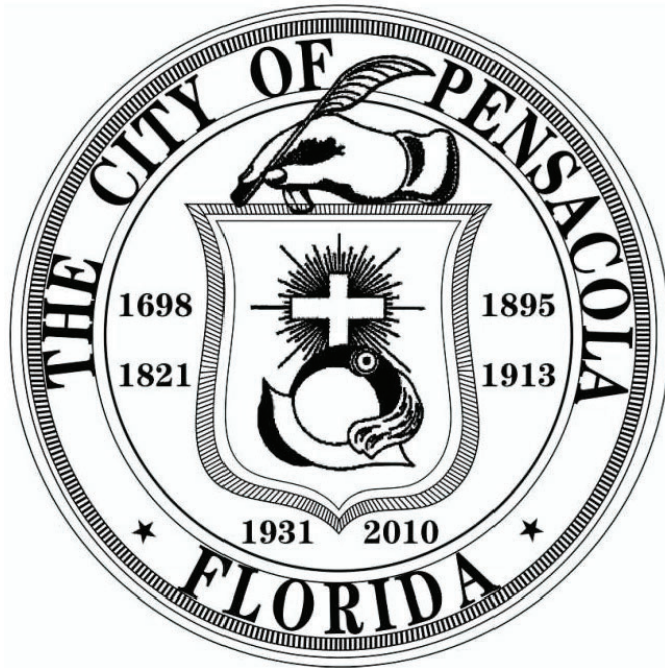
ELECTED OFFICIALS
FY 2024 MAYOR & CITY COUNCIL



CITY OF PENSACOLA, FLORIDA
LISTING OF ELECTED AND APPOINTED OFFICIALS

ELECTED OFFICIALS
FY 2025 MAYOR & CITY COUNCIL





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FINANCIAL SECTION

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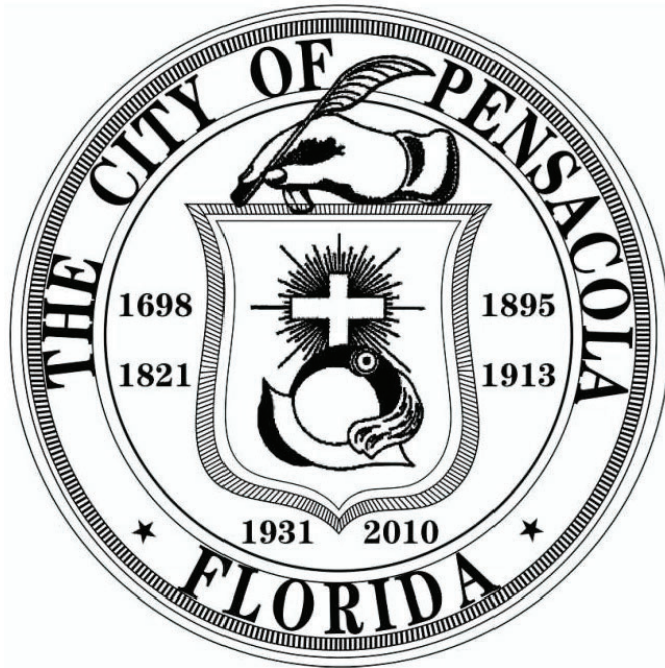
INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and
Members of the City Council
City of Pensacola, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pensacola, Florida (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the General Fund, Housing Assistance Payments Fund, and Community Maritime Park Fund, schedules related to pension and the other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of

management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison information, combining and individual nonmajor fund financial statements and schedules, and financial data schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City.

The accompanying schedule of expenditures of federal awards, passenger facility charges, and state financial assistance is presented for purposes of additional analysis as required Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and as specified in the *Passenger Facility Charges Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and by Section 215.97, Florida Statutes, and is also not a required part of the basic financial statements of the City.

The accompanying schedule of receipts and expenditures of funds related to the Deepwater Horizon Oil Spill is presented for the purpose of additional analysis as required by Florida Statute 288.8018 and the *Rules of the Auditor General* Chapter 10.557 (3)(f) and is not a required part of the basic financial statements of the City.

The combining and individual fund financial statements and budgetary comparison information, financial data schedule, schedule of expenditures of federal awards, passenger facility charges, and state financial assistance, and schedule of receipts and expenditures of funds related to the Deepwater Horizon Oil Spill are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Pensacola, Florida
March 7, 2025

Management's Discussion and Analysis

This section will provide a comparative analysis between fiscal year 2024 and 2023. The comparison amounts are shown at a summary level with additional detail provided for explanation. The format is designed to provide the reader with a narrative overview of the City's financial activity for the fiscal year ended September 30, 2024. This discussion should be read in conjunction with the Letter of Transmittal located in the Introductory Section.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) as of September 30, 2024, by \$621,279,825. Of this amount, the net investment in capital assets totaled \$487,644,093, which is unavailable, and restricted net position totaled \$93,083,039 resulting in an unrestricted net position of \$40,552,693. Unrestricted net position is negatively impacted due to GASB Statement No. 68, which reduced governmental activities unrestricted net position by \$59,133,977 and business-type activities by \$15,506,274 for a total reduction of \$74,640,251. GASB Statement No. 68 requires the City to report on the face of the financial statements the deferred inflows, deferred outflows and net pension liabilities for each of the City's pension plans and the City's proportionate share of the Florida Retirement System (FRS). This unfunded pension obligation will continue to negatively impact unrestricted net position for future periods until all plans have been fully funded. For a more detailed explanation of the fluxes refer to the Government-Wide Financial Analysis section of Management's Discussion and Analysis.
- The City's total net position of \$621,279,825 increased \$25,602,392 (4%) over the fiscal year 2023 net position of \$595,677,433. Governmental activities increased by \$5,965,991 (2%) and business-type activities increased by \$19,636,401 (4%). At the beginning of the fiscal year, Code Enforcement net assets of \$1,728,781 were transferred from the Sanitation fund to a Special Revenue Fund. For a detailed explanation of these fluxes refer to the Government-Wide Financial Analysis section of Management's Discussion and Analysis.
- As of September 30, 2024, the City's governmental funds reported combined fund balances of \$91,169,452 an increase of \$5,317,166 (6%) over the prior fiscal year. For a detailed explanation of the fluxes refer to the Government-Wide Financial Analysis section of this report. The unassigned fund balance for the City's governmental funds totals \$40,331. Unassigned fund balance is the portion of fund balance which is not obligated or specifically designated and is available for any purpose.
- Governmental funds' revenues increased by \$3,667,353 (3%) over the prior fiscal year total of \$121,017,531. The major increase in governmental funds' revenues stems from \$2,560,908 in General Fund revenues mainly related to an increase in ad valorem tax revenues because of a 12.35% increase in taxable property valuation. There was a \$2,359,323 decrease in intergovernmental revenues due to multiple factors. In fiscal year 2023, there was approximately \$6,137,504 revenues for Hurricane Sally reimbursements

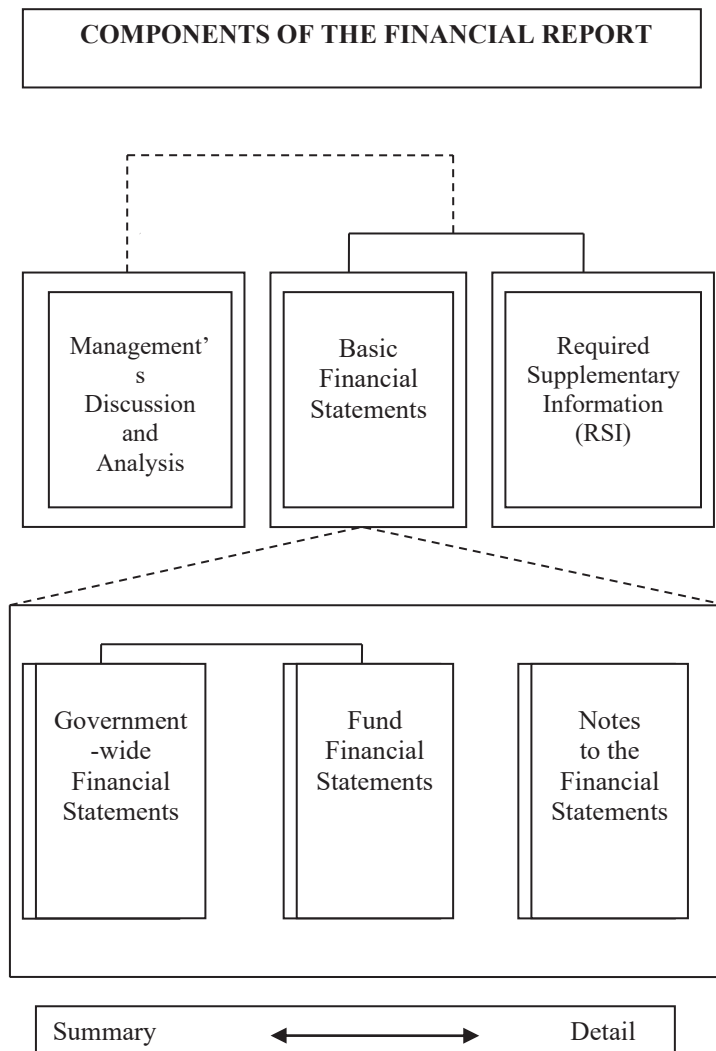
from FEMA. In addition, there was an increase in revenues of \$1,157,112 million because of the increase in property tax revenues in the CRA districts. The Federal and State grant receipts decreased slightly overall, which is tied to the timing of expenditure on project, so the revenues could fluctuate yearly. The revenues in the American Rescue Funds decreased by \$765,826 because there were less expenditures spent on American Rescue Plan Act (ARPA) projects than in the prior year. Charges and services in governmental funds increased overall by \$1,742,799. The Parking Fund increased parking rates, which resulted in an increase in revenues of \$687,728 for the year. As a result of the Code Enforcement activity moving from the Sanitation fund to a special revenue fund, the solid waste franchise fees of \$1,346,440 increased governmental revenues in fiscal year 2024. In addition, the rising interest rates on investments due to the economy increased investment income city-wide. The governmental investment income increased \$1,217,119 from the prior year.

- Governmental fund expenditures increased by \$1,463,708 (1%) compared to the prior fiscal year's total of \$129,045,004. The primary driver of this increase was a \$6.4 million rise in personnel salaries and benefits. In fiscal year 2024, the City implemented a three-year plan to enhance employee compensation across all departments, ensuring competitive pay rates. Salaries increased by \$2,694,515 from the prior year, with the Fire Department receiving a 12% increase (\$942,071) and the Police Department receiving a 6% increase (\$743,208). The remaining salary increases were due to pay study adjustments and a 3% cost-of-living adjustment (COLA). Total pension costs rose by \$1,551,303 due to increased contributions during the year, while group insurance costs increased by \$1,038,242 due to rate hikes. Additionally, expenditures for temporary personnel rose by \$428,488. Conversely, capital outlay expenditures decreased by approximately \$5,959,523 from the prior year. The remaining expenditure increase was attributed to a modest rise in operating costs, driven by higher prices for supplies and services due to economic conditions.
- The City's General Fund fund balance, excluding restricted fund balance, increased by \$282,932 from \$28,810,959 to \$29,093,891 in fiscal year 2024. The fund balance overall increased by \$915,663. Included in the committed fund balance is Council Reserves of \$15,586,480. The Council Reserve balance represents 20% of fiscal year 2025 beginning budgeted General Fund appropriations which meets the 20% minimum reserve goal stated in the City Council's Fund Balance Policy. The General Fund had an increase in restricted fund balance of \$632,731 related to an increase in contractual obligations.
- General Fund revenues increased by \$1,916,183 (3%) in fiscal year 2024, primarily driven by a \$2,560,908 rise in ad valorem tax revenues. This increase resulted from a 12.35% growth in taxable property valuation. Meanwhile, General Fund expenditures rose by \$5,803,314 (9%), largely due to a \$2,127,015 million increase in personnel costs associated with the City-wide pay rate reform aimed at enhancing employee compensation. In addition, the pension contributions increased by \$1,244,826 and group insurance rose by \$864,606 due to price hikes.

- The City's enterprise funds reported combined ending net position of \$412,555,671, an increase of \$19,636,401 (4%) in comparison to the prior fiscal year. Of the total net position amount, \$290,299,563 represents net investment in capital assets which increased \$8,020,588 (2%). Operating revenues decreased by \$4,899,011 (4%) from last fiscal year and operating expenses before depreciation decreased by \$7,024,220 (8%). For a detailed explanation of these fluxes refer to the Government-Wide Financial Analysis section of Management's Discussion and Analysis.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. Following is a chart that illustrates the components of the Annual Comprehensive Financial Report (ACFR).



Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Pensacola's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. The focus of the statement is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal years (e.g., earned but unused vacation leave and revenue in connection with receivables which are not considered available to liquidate liabilities of the current period).

Both the government-wide financial statements distinguish functions of the City of Pensacola that are principally supported by taxes and intergovernmental revenues (governmental activities such as police, fire, public works, recreation and general administration) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, transportation, culture and recreation, economical and physical environment, and human services. The business-type activities of the City include the airport, seaport, natural gas utility services and sanitation services.

Discretely presented component units, which are legally separate governmental units over which the City can exercise influence, are presented as a separate column in the government-wide statements. The Downtown Improvement Board is the only discretely presented component unit of the City. The focus of the financial statements is the Primary Government, which are the operations of the City.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of the ACFR will find the Fund Financial Statements presentation more familiar. The focus is on "major" funds, rather than fund types, as reported in the traditional financial statement presentation. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This allows readers to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Governmental fund information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Housing Assistance Payments Fund, CMP Management Services, and Local Option Sales Tax Fund, all of which are considered to be major funds. All other governmental type funds are considered "nonmajor" and are reported in a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of Combining Statements and Individual Fund Statements and Schedules section of this report.

Blended component units, which are legally separate entities in which the City and the entity have substantially the same governing body or the entity's debt is expected to be repaid almost entirely with resources from the City, are presented as funds of the primary government. The Community Redevelopment Agency (CRA) is the only blended component unit of the City.

Proprietary Funds. Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found in the Basic Financial Statements section of this report.

The City of Pensacola maintains two types of proprietary funds: enterprise funds and internal service funds. The City uses enterprise funds to account for the assets, operation and maintenance of the City-owned natural gas service, garbage and trash service, port facility, and airport. Internal service funds are used to account for activities that provide goods and services to other City departments such as computers, telecommunications, fleet maintenance, insurance, 311 services, mail and engineering. Since internal service funds predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds. The City of Pensacola is the plan sponsor for the General Pension, Firefighters' and Police Officers' retirement fund. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in net position. These activities are excluded from the government-wide financial statements because the assets cannot be used to support or finance the City's programs or operations. During fiscal year 2007, the City closed the General Pension requiring new general employees to participate in the Florida Retirement System (FRS) though the General Pension remains open for existing participants who chose not to participate in the FRS. During fiscal year 2013, the City closed the Police Officers' Retirement fund requiring new police employees to participate in the Florida Retirement System (FRS) though the Police Officers' Retirement fund remains open for existing participants who chose not to participate in the FRS.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found as part of the Basic Financial Statements section of this report.

Other information

This report additionally includes Required Supplementary Information (RSI) containing schedules of the City's total Other Postemployment Benefits (OPEB) liability, the City's Net Pension Liability (NPL) and contributions for the City's three sponsored pension plans as well as the City's proportionate share in the Florida Retirement System pension plan and health insurance subsidy program, and budget to actual reports for major funds. Combining statements for nonmajor governmental funds and internal service funds are included as well as budgetary comparisons for all debt service and nonmajor governmental funds. Additional information about the City can be found in the Statistical Section.

Government-Wide Financial Analysis

The City of Pensacola adopted the government-wide financial statement presentation. This reporting structure and measurement focus using accrual accounting for all of the government's activities was mandated by the Government Accounting Standards Board (GASB) in Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Comparative data for fiscal years ending September 30, 2024 and 2023 is presented.

It is important to note that GASB Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*, requires governments that offer defined pension benefits to its employees to report on the face of its financial statements the unfunded pension obligation (the "Net Pension Liability"). In addition, GASB Statement No. 68 requires each local government participating in a defined benefit cost-sharing multiple-employer pension plans, such as the Florida Retirement System (FRS), to report on the face of its financial statements their proportionate share of the "collective" Net Pension Liability.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than pensions*, requires governments that offer other post-employment benefits (OPEB) to its employees to report on the face of its financial statements the total unfunded OPEB obligation (the “Total OPEB Liability”).

Both the Net Pension Liability and Total OPEB Liability are recorded at the fund level for proprietary activities and the allocated amount for governmental activities is presented at the government-wide level. The recording of the deferred inflows, deferred outflows, total pension liabilities and total OPEB liability for each of the City’s pension plans, the City’s proportionate share of the Florida Retirement System (FRS) and the City’s OPEB negatively impact the City’s unrestricted net position until all plans have been fully funded. In addition, pension and OPEB expense, which is a net result of the changes in deferred inflows, deferred outflows, total liabilities, can vary considerably over time, depending upon changes in the estimated costs due to such things as market fluctuations. This can result in highly variable income statement results. The governmental fund-level statements are not affected by these pronouncements which use a modified-accrual basis of accounting.

At year-end, the City is reporting positive balances in two of three categories of net position for governmental activities and all three categories for business-type activities.

Summary Statements of Net Position September 30,

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 83,964,667	\$ 78,956,806	\$ 160,344,810	\$ 150,873,471	\$ 244,309,477	\$ 229,830,277
Internal balances	245,145	42,371	(245,145)	(42,371)	0	0
Noncurrent assets	57,171,224	46,708,562	52,910,901	50,032,139	110,082,125	96,740,701
Capital assets	269,869,675	269,236,471	328,128,915	324,175,684	597,998,590	593,412,155
Total assets	<u>411,250,711</u>	<u>394,944,210</u>	<u>541,139,481</u>	<u>525,038,923</u>	<u>952,390,192</u>	<u>919,983,133</u>
Total deferred outflows of resources	<u>50,744,346</u>	<u>64,195,139</u>	<u>13,537,803</u>	<u>17,323,147</u>	<u>64,282,149</u>	<u>81,518,286</u>
Current and other liabilities	27,062,392	28,406,822	47,227,231	45,963,661	74,289,623	74,370,483
Noncurrent liabilities	195,219,811	208,598,988	65,054,904	71,890,488	260,274,715	280,489,476
Total liabilities	<u>222,282,203</u>	<u>237,005,810</u>	<u>112,282,135</u>	<u>117,854,149</u>	<u>334,564,338</u>	<u>354,859,959</u>
Total deferred inflows of resources	<u>30,988,700</u>	<u>21,104,157</u>	<u>29,839,478</u>	<u>29,859,870</u>	<u>60,828,178</u>	<u>50,964,027</u>
Net position:						
Net investment in capital assets,	197,344,530	197,105,128	290,299,563	282,278,975	487,644,093	479,384,103
Restricted	33,499,680	25,290,316	59,583,359	24,857,112	93,083,039	50,147,428
Unrestricted	(22,120,056)	(21,366,062)	62,672,749	87,511,964	40,552,693	66,145,902
Total net position	<u>\$ 208,724,154</u>	<u>\$ 201,029,382</u>	<u>\$ 412,555,671</u>	<u>\$ 394,648,051</u>	<u>\$ 621,279,825</u>	<u>\$ 595,677,433</u>

The total City's net investment in capital assets, such as land, roads, parks, buildings, intangible right to use assets, and machinery and equipment is presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The City uses these capital assets to provide services to the citizens and consequently these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position are resources subject to external restriction on how they may be used while unrestricted assets may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net position represents 15% of total net position for business-type activities. Unrestricted net position for governmental activities is negative primarily due to the net pension liability of \$103,704,108 and total OPEB liability of \$8,278,619. These unfunded liabilities will continue to negatively impact unrestricted net position for future periods until all obligations have been fully funded. In addition, the unrestricted net position for governmental activities is negatively impacted due to the recognition of the City's long-term contribution to the Emerald Coast Utilities Authority (ECUA) totaling \$3,900,000 as of September 30, 2024. Since the commitment is a long-term liability and future revenue sources have been pledged for the annual payment of \$1.3 million it is expected that this commitment will continue to negatively impact unrestricted net position through fiscal year 2027.

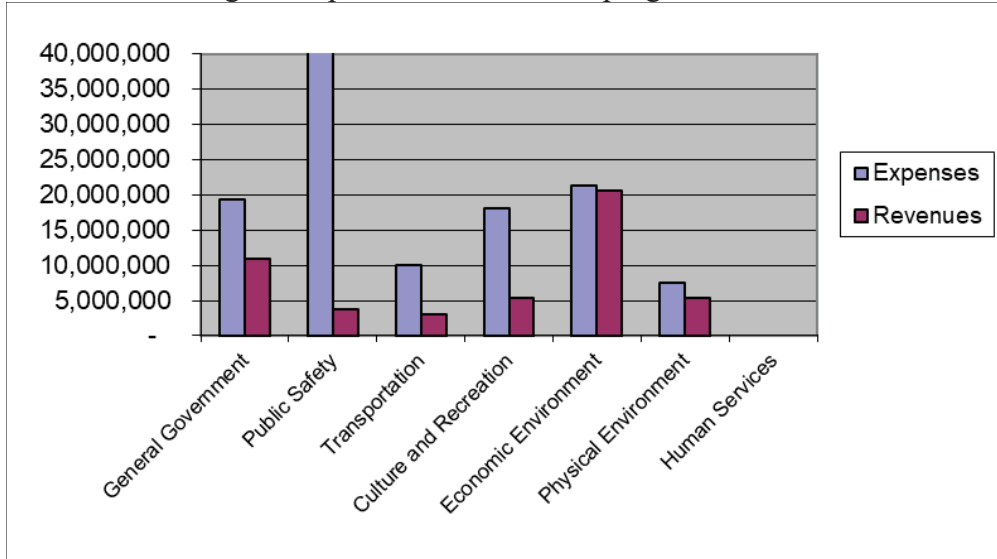
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Changes in Net Position Years Ended September 30,

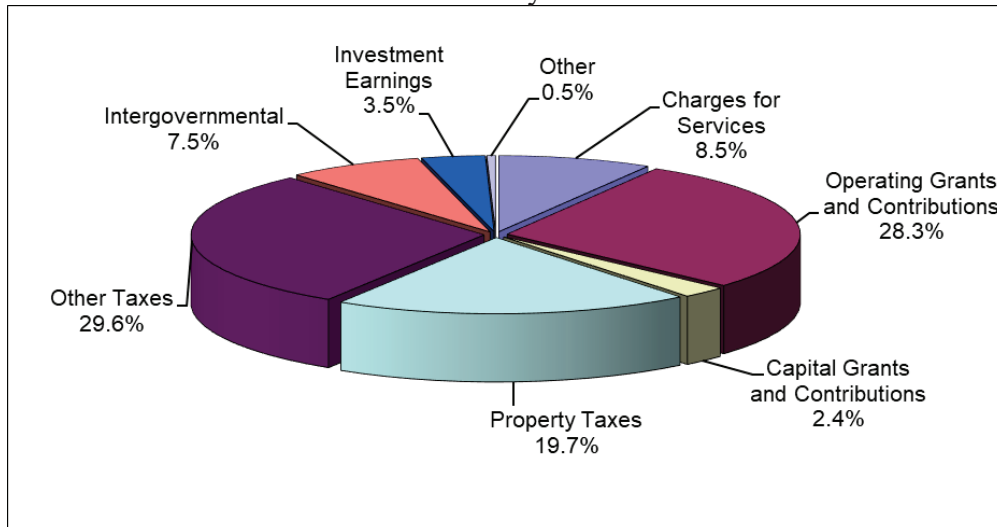
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 13,766,420	\$ 12,359,235	\$ 99,388,486	\$ 103,928,123	\$ 113,154,906	\$ 116,287,358
Operating grants and contributions	32,352,377	36,252,808			32,352,377	36,252,808
Capital grants and contributions	3,067,474	1,241,271	18,967,656	33,543,067	22,035,130	34,784,338
General revenues:						
Property taxes	24,464,687	21,873,778			24,464,687	21,873,778
Other taxes	37,124,646	37,500,156			37,124,646	37,500,156
Intergovernmental	9,414,585	9,754,477			9,414,585	9,754,477
Interest earnings	4,396,700	2,265,910	6,351,988	4,181,440	10,748,688	6,447,350
Gain on sale of capital asset	225,719	97,367	33,073	9,200	258,792	106,567
Other	373,197	226,811	556,307	915,681	929,504	1,142,492
Total revenues	125,185,805	121,571,813	125,297,510	142,577,511	250,483,315	264,149,324
Expenses						
General government	19,344,410	18,703,847			19,344,410	18,703,847
Public safety	52,945,798	47,513,896			52,945,798	47,513,896
Transportation	9,986,044	9,579,297			9,986,044	9,579,297
Culture and recreation	18,058,922	17,947,317			18,058,922	17,947,317
Economic environment	21,209,080	19,906,544			21,209,080	19,906,544
Physical environment	7,526,155	8,444,383			7,526,155	8,444,383
Human services					0	0
Unallocated depreciation	1,623,010	1,638,021			1,623,010	1,638,021
Interest on long-term debt	2,449,522	2,589,840			2,449,522	2,589,840
Utility			40,695,251	50,567,655	40,695,251	50,567,655
Sanitation			8,065,647	8,778,303	8,065,647	8,778,303
Port			3,701,417	3,598,499	3,701,417	3,598,499
Airport			39,275,667	33,370,793	39,275,667	33,370,793
Total expenses	133,142,941	126,323,145	91,737,982	96,315,250	224,880,923	222,638,395
Increase (decrease) in net position before transfers and other items	(7,957,136)	(4,751,332)	33,559,528	46,262,261	25,602,392	41,510,929
Transfers in (out)	13,923,127	10,051,519	(13,923,127)	(10,051,519)	0	0
Increase (decrease) in net position	5,965,991	5,300,187	19,636,401	36,210,742	25,602,392	41,510,929
Net position at beginning of year	201,029,382	195,729,195	394,648,051	358,441,664	595,677,433	554,170,859
Residual equity transfer	1,728,781		(1,728,781)		0	0
Change in accounting principle - Implementation of GASB 96				(4,355)	0	(4,355)
Net position as restated	202,758,163	195,729,195	392,919,270	358,437,309	595,677,433	554,166,504
Net position at end of year	\$ 208,724,154	\$ 201,029,382	\$ 412,555,671	\$ 394,648,051	\$ 621,279,825	\$ 595,677,433

Governmental Activities Fiscal Year 2024

Program expenses matched with program revenues



Revenues by source

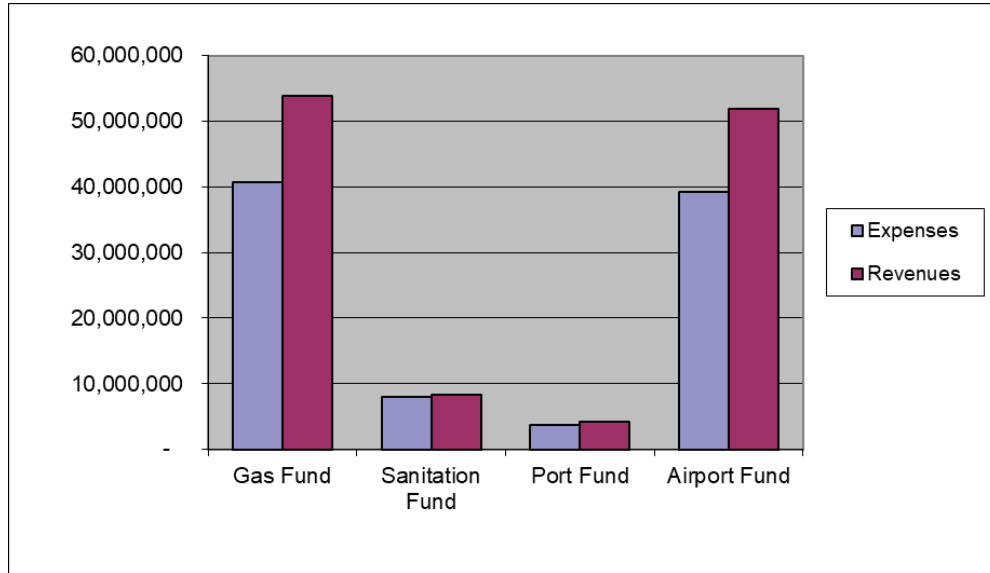


GASB Statement No. 34 reporting requires that functional expenses are matched with revenues that directly support the function. The increase in the current year's net position for Governmental Activities on the Statement of Activities equaled \$5,965,991 which increased by \$665,804 from the prior year. This change in net position was driven by multiple factors. As noted earlier, property tax revenues rose by \$2.5 million due to an increase in taxable property values. Operating grants and contributions decreased in the Natural Disaster as the result of many of the projects have been closed and reimbursed by FEMA in prior years. In the prior year \$6,137,504 was earned as revenue compared to \$2,553 in the current year. Operating grants and contributions increased in other funds such as the Housing Assistance Fund \$2,657,284 which offset some of the reductions in the Natural Disaster Fund. Charges for Services revenues increased by \$1,742,799 as result of the transfer of Code Enforcement activity into governmental functions. Majority of the increase in Capital grants and contribution was driven by the \$1,300,000 contribution from Escambia County for the Roger Scott Tennis Center Improvements. Interest earnings increased by \$1,217,119, benefiting from higher interest rates on investments. Additionally, transfers increased by \$3,137,600 due to higher contribution from Pensacola Energy. Per City ordinance, up to 15% of Pensacola Energy's budgeted revenues may be transferred to the General Fund. The \$6,819,796 increase in expenditures was primarily driven by higher salaries and benefits resulting from the City-wide pay rate increases and rising pension and group insurance cost as previously mentioned. The bar chart above gives a clear indication of which functions are dependent on general revenues to support their operations. Public Safety has the largest differences as this function is traditionally supported by taxes. Taxes, investment earnings and other revenues are classified as general revenues of the government.

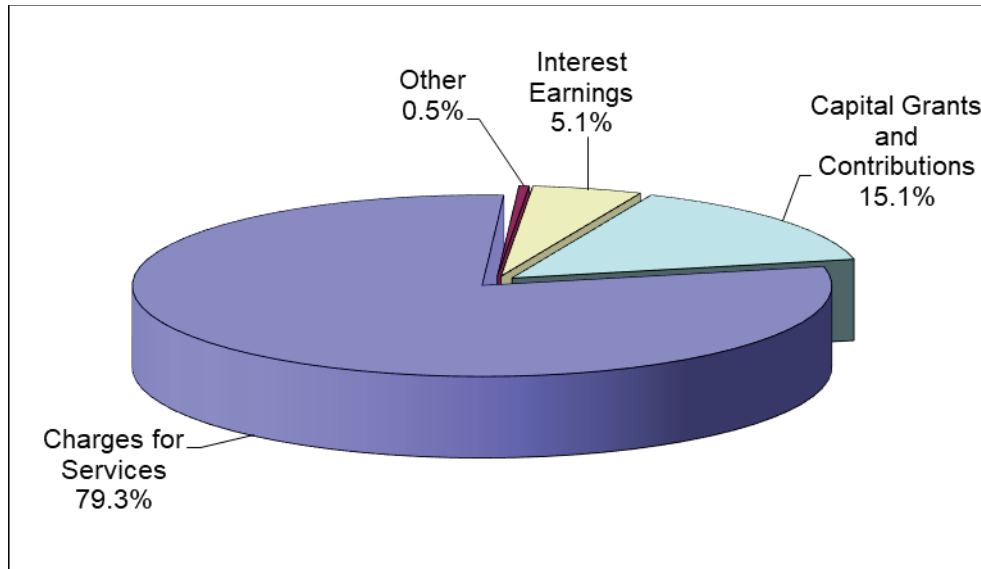
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Business-type Activities Fiscal Year 2024

Expenses compared to *charges for services* revenues
(Including depreciation and bad debt expense)



Revenues by Source



The increase in current year net position for Business-type Activities on the Statement of Activities totaled \$19,636,401. The Utility Fund increased \$1,902,930, the Sanitation Fund decreased \$39,884, the Port Fund increased \$642,630 and Airport Fund increased \$17,130,725. All funds apart from Port Fund charged fees sufficient to cover operations when excluding depreciation. An explanation of these fluxes can be seen in the Financial Analysis of the Government's Funds section below.

Financial Analysis of the Government's Funds

The City of Pensacola uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2024, the City's governmental funds reported combined fund balances of \$91,169,452, an increase of \$5,317,166 (11%) over the prior fiscal year.

Non-spendable and restricted governmental funds balance of \$39,793,647 are available to meet current commitments in the next fiscal year. Non-spendable fund balance of \$608,637 is for prepaid expenditures and inventory. Restricted fund balance is broken down as; \$541,840 is for Saenger capital reserves; \$8,182,451 is for debt service requirements; \$17,219,266 is for community development projects and \$17,907,223 is for other purposes related to contractual obligations and capital projects. This leaves a remaining unrestricted fund balance of \$46,710,035.

Below is a comparative chart for the City's "major" funds; General Fund, Housing Assistance Payments Fund, CMP Management Service Fund and the Local Option Sales Tax Fund.

Effective fiscal year 2024, GASB 100 requires a government to disclose a change to or within the financial reporting entity such as change in a fund's presentation as major or nonmajor. In fiscal year 2024 the American Rescue Plan Act Fund moved to nonmajor and the CMP management Services moved to major. More details on the change can be found in the note section.

Major Fund Information

	<u>General Fund</u>	<u>Housing Assistance Payments Fund</u>	<u>CMP Management Service Fund</u>	<u>Local Option Sales Tax Fund</u>
Fiscal Year 2024				
Revenues and other sources	\$ 73,303,637	\$ 20,462,627	\$ 920,820	13,865,932
Expenditures and other outlays	(72,387,974)	(20,539,153)	(1,319,316)	(6,909,693)
Increase (decrease) in fund balance	<u>\$ 915,663</u>	<u>\$ (76,526)</u>	<u>\$ (398,496)</u>	<u>\$ 6,956,239</u>
Fiscal Year 2023				
Revenues and other sources	\$ 68,093,355	\$ 17,804,804	\$ 1,019,608	12,307,158
Expenditures and other outlays	(65,879,144)	(18,466,079)	(1,021,654)	(15,419,506)
Increase (decrease) in fund balance	<u>\$ 2,214,211</u>	<u>\$ (661,275)</u>	<u>\$ (2,046)</u>	<u>\$ (3,112,348)</u>

The General Fund is the main operating fund of the City. At September 30, 2024, total fund balance in the General Fund was \$32,151,734, an increase of \$915,663 (2%) from beginning fund balance. The unrestricted portion of fund balance was \$28,654,747, however \$15,586,480 is committed for the Council Reserve, \$56,434 is committed for park purchases, \$561,176 is committed for the tree planting trust fund. The \$11,722,500 assigned balance is composed of \$5,100,000 for future fund balance draw downs, \$562,583 for assessments, \$508,876 for housing initiatives, \$241,025 for Wayside Park repairs, \$231,747 library capital improvements, \$2,500,000 actuarial unfunded pension liability, 28,269 for lien amnesty, and \$2,550,000 for anticipated match requirements needed for Hurricane Sally leaving an unassigned fund balance of \$728,157.

Since the City budgets for expenditures in the General Fund based on anticipated revenues, changes to fund balance are a result of the difference in budget verses actual revenues and expenditures. Fiscal year 2024 actual revenues exceeded the original budget by \$2,840,674. The increase is primarily driven by a \$2,560,908 rise in ad valorem tax revenues. This increase resulted from a 12.35% growth in taxable property valuation. In addition, the 2024 actual expenditures came in over the original budget (less the anticipated fund balance drawdown of \$1.7 million) by \$345,030.

As a measure of the General Fund's liquidity, a comparison of both total and unrestricted fund balances compared with total fund operating expenditures shows percentages of 49% and 44%, respectively. The Government Finance Officer's Association (GFOA) Best Practice recommendation is for a government to maintain in its General Fund unrestricted fund balance no less than two months of General Fund operating expenditures. At 44% of unrestricted fund balance, this provides close to six months of coverage.

The Housing Assistance Payments Fund had a total fund balance at year-end of \$2,102,725, a decrease of \$76,526 (3%). Fund balance of \$8,305 is non-spendable and \$2,094,420 is restricted for housing assistance payments as required by the Department of Housing and Urban Development (HUD). Changes to fund balance are a function of federal funding by the HUD and the operating efficiency employed by the City's Housing staff. Fluctuations can be large or small depending on the goals of the federal government programs. The decrease in fiscal year 2024 fund balance is due to an increase in spending to combat the growing number of homeless families nationally through HUD's Housing Choice Voucher (HCV) CARES Act funding.

The CMP Management Services Fund had a total fund balance at year-end of \$1,957,198, a decrease of \$398,496 (16%). Fund balance of \$105,916 is non-spendable and \$890,680 is restricted for community maritime park improvements. Change in the fund balance was driven by the increase in capital outlays this year at the park.

The Local Option Sales Tax (LOST) Fund had a total fund balance of \$9,008,675 at year-end, an increase of \$6,732,617 (295%). Restricted fund balance of \$9,008,675 is comprised of \$2,455,462 in debt service restrictions and \$1,887,443 in third party contract restrictions leaving \$4,665,770 restricted for capital projects. The increase in fiscal year 2024 fund balance is due to the decrease in completion of capital projects.

Proprietary Funds. Proprietary fund statements provide the same information as in the business-type activities column of the government-wide statements, but in greater detail, and on a fund basis for enterprise funds and the internal service funds. All of the City's enterprise funds are classified as major funds.

Enterprise Funds.

The City of Pensacola does not budget for depreciation, bad debt expense, unfunded pension obligations or other postemployment benefits. However, personal cost, operating expenses, capital outlay, and principal and interest payments are budgeted.

The Utility Fund had a total net position of \$82,271,022 at fiscal year-end, an increase of \$1,902,930 (2%) over the prior fiscal year. Pensacola Energy operated at a profit of \$15,147,853 before depreciation expense of \$3,824,526; an increase from last fiscal year by \$3,413,898. Operating revenue decreased by \$6,436,728 (10%) during fiscal year 2024 and operating expenses decreased by \$9,850,626 (20%). The primary reason for the decrease in operating revenue and operating expenses is the result of a decrease in the cost of natural gas; the cost of natural gas is passed on to the customer directly affecting charges for services revenue. In fiscal year 2024, the cost of natural gas decreased by \$8,691,550. Gas consumption increased approximately 9% from the prior year, which counterbalanced the decrease in revenues from gas cost. The materials and supplies decreased by \$1.2 million due to fewer gas utility projects being carried out in 2024.

The Sanitation Fund had a total net position of \$1,863,914 at fiscal year-end, a decrease of \$39,884 (2%) over the prior fiscal year. Sanitation Services operated at a profit of \$617,136 before depreciation expense of \$702,243; a decrease from last fiscal year by \$816,104. Operating revenue decreased by \$1,593,429 (15%) during fiscal year 2024 and expenses decreased by \$777,325 (8%). The decrease in operating revenues is linked to the transfer of Code Enforcement activity that was previously in Sanitation Fund to a governmental fund in 2024. Code Enforcement revenue accounted for \$1.4 million of Sanitation Fund's revenues and \$1.5 of Sanitation Funds's operating expenses in the prior fiscal year. Salaries and benefits increased by \$731,341 from the prior year. Salaries increased \$244,435 as result of pay raises that were implemented from pay study and COLA adjustments. Total pension cost increased \$64,931 due to increased contributions, while group insurance increased \$90,146 due to rate hikes. In addition, overtime and personnel increased \$243,740 due to staffing constraints. In October 2023, the Code Enforcement activity was transferred from Sanitation Fund to a governmental fund resulting in a residual equity transfer of \$1,728,781 out of the Sanitation's Fund balance.

The Port Fund had a total net position of \$19,467,891 at the end of the fiscal year-end, an increase of \$642,630 (3%) from the prior fiscal year. The Port operated at a loss of \$247,819 before depreciation expense of \$1,143,058; a decrease from last fiscal year by \$705,260. Operating revenues decreased by \$640,247 (20%) and expenses increased by \$65,013 (2%). The primary reason for the decrease in operating revenue can be linked to decrease in vessel activity at the Port.

The Airport Fund had a total net position of \$308,952,844 at fiscal year-end, an increase of \$17,130,725 (5%) over the prior fiscal year. The Airport operated at a profit of \$10,820,978 before depreciation expense of \$14,682,238; an increase from last fiscal year of \$232,675. The Airport Fund's operating revenues increased by \$3,771,393 (12%) in fiscal year 2024 and expenses increased by \$3,538,718 (17%). The primary reason for the increase in revenues is increased passenger traffic. The airline revenues increased by \$535,995. In addition, a 14.3% increase in passenger traffic resulted in a \$2.7 million increase in non-airline revenues, primarily in parking \$1.5 million and car rentals \$1.2 million. On the expense side, salaries and employee benefits increased by \$1,070,440. Salaries increased \$722,351 from the prior year as a result of two new positions \$205,00 and pay raises and COLA adjustments \$517,351. Total pension cost increased (\$161,324) due to increased contributions, while group insurance increased \$186,226 due to rate hikes. Contractual services grew by \$1.2 million, largely due to expenses related to airport parking management, janitorial services, baggage handling contracts, and consulting for upcoming projects. Additionally, repairs and maintenance costs rose by \$1.2 million due to ongoing maintenance of existing capital assets

The chart below shows the operating income of each enterprise fund. The chart includes depreciation, bad debt expense and other post-employment benefits.

	Operating Income (Loss)	
	2024	2023
Utility Fund	\$ 11,863,325	\$ 8,604,243
Sanitation Fund	(85,107)	702,295
Port Fund	(1,390,877)	(674,212)
Airport Fund	(3,861,260)	(1,468,733)
Total	<u>\$ 6,526,081</u>	<u>\$ 7,163,593</u>

Internal Service Funds

The internal service funds are designed to recover the internal costs of general services provided to other city departments. In fiscal year 2024, the total net position for all internal service funds increased by \$356,789. The City's Insurance Retention Fund grew by \$1,044,845, while the Central Services Fund declined by \$688,056.

Despite rising policy premiums, the Insurance Retention Fund benefited from savings in estimated future claims. Workers' compensation estimated future claims decreased by \$959,142 based on 2024 activity, whereas auto liability estimated future claims increased by \$298,812. Additionally, interest income rose by \$158,071 due to higher interest rates.

The Central Services Fund saw an increase of \$286,382 in salaries and benefits due to pay raises. Salaries increased by \$375,275 as a result of pay study adjustments and a 3% cost-of-living adjustment (COLA). Pension costs rose by \$108,917 due to higher contributions, while group insurance costs increased by \$82,933 due to rate hikes. However, pension expenses decreased by \$338,244 from the prior year. Pension expenses can fluctuate significantly over time based on changes in actuarial estimates and market conditions, leading to variable income statement results in years with substantial market gains or losses. Charges for services increased by

\$129,608. In response to anticipated rising operational costs, Central Services adjusted its rates to offset these increases.

General Fund Budgetary Highlights

In accordance with Chapter 166.241, Florida Statutes, the Mayor or his designee may authorize budget amendments if the total appropriations of the fund are not changed. The Mayor has established budgetary control within each fund at the line item. Amounts may be transferred between departmental line items or between departments within a fund provided no transfer shall be made contrary to Florida Statute. Amounts to be transferred require the approval of the Mayor or his designee; however, amounts appropriated for capital outlay can only be transferred from the capital outlay category with City Council approval. The budgetary changes described below were a necessary part for overall operations of the City's activities reported in the General Fund.

The final budget as compared with the original budget for the General Fund estimated revenues increased by \$1,427,302 (2 %) during fiscal year 2024. The majority of the increase was made up of \$1,312,302 in charges for services related to the reimbursable agreements with FDOT.

The final appropriations in the General Fund as compared with the original budget increased by \$6,715,921 (10%) in fiscal year 2024. The primary reason for the increase relates to:

- An increase in appropriations for public safety in the amount of \$1,843,375 is primarily related to the carryforward from the prior fiscal year budget to cover open encumbrances and projects.
- An increase in appropriations for transportation in the amount of \$2,041,446 is primarily related to the carryforward from the prior fiscal year budget to cover open encumbrances and projects.
- An increase in appropriations for capital expenditures increased by \$1,181,856 is primarily related to carryforward from the prior fiscal year budget to cover open encumbrance and projects. Some of the larger capital projects that were budgeted were the Roger Scott Pool restrooms, tactical police vehicle and improvements to City facilities and buildings.

Capital Asset and Debt Administration

Capital Assets. As of year-end, the City had \$487,644,093 net investment in capital assets. Governmental activities accounted for \$197,344,530 and business-type activities accounted for \$290,299,563. This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure.

Major capital asset additions/completions during the current fiscal year include the following:

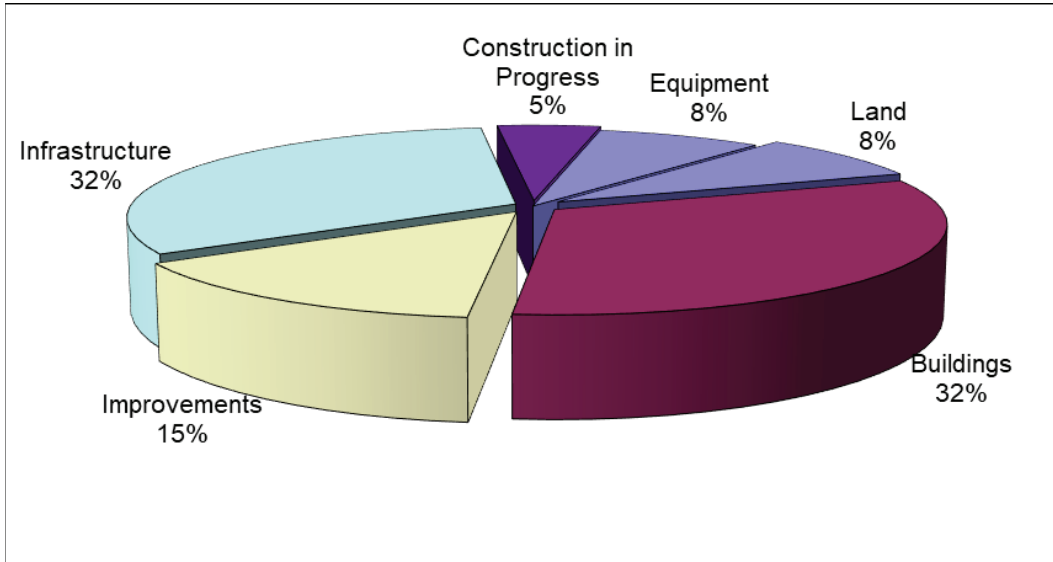
Governmental Activities

- Stormwater, street and sidewalk capital projects \$1,233,835
- Land acquisitions for Community Redevelopment projects \$948,869
- Bruce Beach park improvements \$7,898,659
- Roger Scott Tennis Courts \$3,845,728
- Governmental facility improvements \$697,331
- Parking equipment \$179,350
- Parks and Recreation vehicles & equipment \$689,680
- Police vehicles and equipment \$1,133,089
- Public Works vehicles and equipment \$323,690

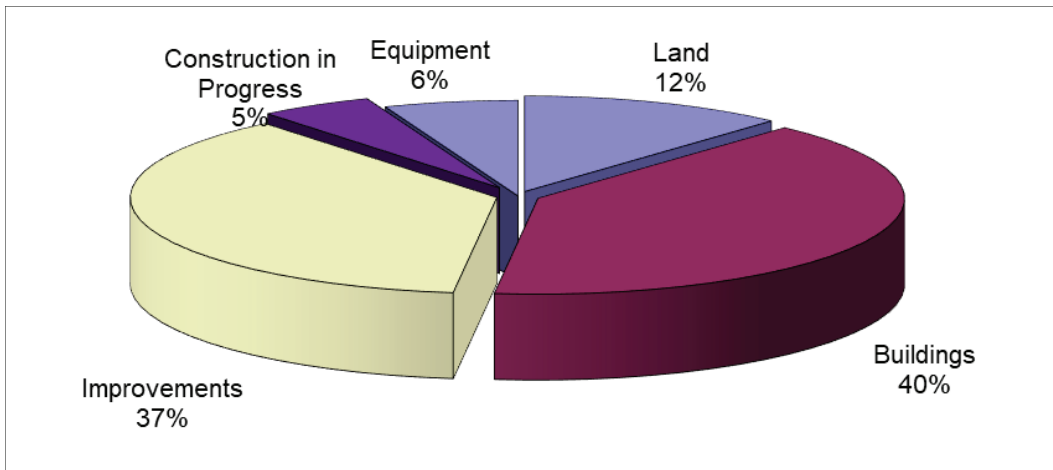
Business-type Activities

- Pensacola Energy natural gas utility improvements \$5,070,987
- Pensacola Energy vehicles and equipment \$1,338,273
- Airport parking garage improvements: \$1,603,232
- Airport parking ticket system \$872,153
- Airport baggage handling system \$601,970
- Airport escalatory replacement \$1,078,408
- Technology Resources network equipment \$166,650
- Technology Resources camera equipment \$301,608

**Governmental Activities
Capital Assets net of depreciation**



**Business-type Activities
Capital Assets net of depreciation**



Additional details about the City's capital assets can be found in Section III, C, of the Notes of this report. The City has two capital plans. The first is required by Florida's growth management legislation and is an element of the City's comprehensive plan. The second is a broader plan and covers all infrastructure needs of the City. This plan is two-part; the first is transportation funded by the Local Option Gasoline Tax (LOGT) and stormwater funded with a transfer from the General Fund totaling up to \$2,735,000. The second is referred to as the LOST IV Plan and is funded by LOST collections. Additional details of the capital plans are available in the City's annual budget which is available on the City's website.

Long-term Debt. At the end of fiscal year 2024, the City had total non-self-supporting bonded debt of \$79,423,568 and self-supporting bonded debt of \$32,279,000. Governmental activities have notes payable in the amount of \$79,423,568 and Business-type activities have notes payable in the amount of \$32,279,000. The City has no general obligation debt.

The City does not borrow for operating needs. All of its outstanding long-term indebtedness is for capital needs only. The direct debt per capita (population 55,030) as of September 30, 2024 is as follows:

Local Option Sales Tax Debt	\$ 12,136,000	Per capita \$ 221
Local Option Gas Tax Debt	4,483,000	Per capita 81
Eastside Redevelopment Area Debt	931,000	Per capita 17
Westside Redevelopment Area Debt	2,910,000	Per capita 53
Urban Core Redevelopment Area Debt	58,963,568	Per capita 1,071
Total	<u>\$ 79,423,568</u>	<u>\$ 1,443</u>

The Local Option Sales Tax Debt is supported by local option sales tax collections and is payable through October 2028.

The Local Option Gas Tax Debt is supported by local option gasoline tax collections. On July 23, 2015 the Board of County Commissioners extended the Six-Cent Local Option Gasoline Tax (LOGT) for an additional 10 years and four months beginning September 1, 2016 through December 31, 2026. In the event that LOGT is insufficient to pay debt service, the loan is furthered secured by a covenant to budget and appropriate from the City’s non-ad valorem revenues and is payable through 2026.

The Eastside Redevelopment Area Debt is supported by Tax Increment Revenues derived from the Eastside Redevelopment Area and in the event that these revenues are insufficient to pay debt service, the loan is furthered secured by the Local Business Tax and is payable through 2037.

The Westside Redevelopment Area Debt is supported by Tax Increment Revenues derived from the Westside Redevelopment Area and in the event that these revenues are insufficient to pay debt service, the loan is furthered secured by the Local Business Tax and is payable through 2037.

The Urban Core Redevelopment Area Debt is supported by Tax Increment Revenues derived from the Urban Core Redevelopment Area and in the event that these revenues are insufficient to pay debt service, the loan is furthered secured by certain non-ad valorem revenues budgeted and appropriated therefore pursuant to a Covenant to Budget and Appropriate and is payable through 2043.

All required principal and interest payments on outstanding debt were remitted timely and in full. The reserve requirements and deposits into the debt service funds mandated by the bond covenant remain funded at or above the prescribed levels at fiscal year-end.

As of September 30, 2024, the only bonded debt the City had outstanding were bank issued. Therefore, the ratings below will not be updated unless the City specifically request a review by one of the rating agencies.

On March 28, 2019 Fitch Ratings (“Fitch”) affirmed an implied general obligation rating for the City of “AA+” and on October 16, 2009 Standard & Poor’s Ratings Services (“Standard & Poor’s”) affirmed its “AA” on the City’s Issuer Credit Rating.

On October 17, 2017 Standard & Poor’s affirmed a long-term rating of “BBB”, on October 10, 2017 Fitch affirmed a rating of “BBB-” and on May 30, 2017 Moody’s Investors Service, Inc. (“Moody’s”) affirmed a long-term rating of “Baa1” on the City’s Airport Revenue Bonds. Standard & Poor’s and Fitch assigned a Positive outlook and Moody’s assigned Stable outlooks in conjunction with the ratings on the City’s Airport Revenue Bonds.

The fluctuations of the financial market and downgrades or potential downgrades of bond insurers’ ratings have had no material effect on principal and interest payments made by the City, or the City’s underlying bond ratings. All required principal and interest payments have been remitted timely and in full.

Additional detail about long-term debt can be found in the Notes to the Financial Statements; Note III, Long-term debt.

Economic Factors and Next Year’s Budgets and Rates

The City’s fiscal year 2025 budget totals \$311.4 million. Of this, \$77.9 million is for the General Fund, \$127.9 million is for enterprise funds, and the remaining \$105.6 million is for various special revenue, debt service, capital projects, and internal services funds. The General Fund consists of governmental services such as general administration, public safety, parks and recreation, and public works. Enterprise Funds consist of a Utility Fund, Sanitation Fund, Port Fund and Airport Fund. These enterprise Funds are expected to be self-supporting, on a cash-flow basis, from user fees for services.

The General Fund is expected to see \$7.3 million in revenue growth. The estimated 8.73 percent growth in property valuations will amount to an additional \$2,470,400 in gross Property Tax revenue. Interest income was increased by \$2,065,200 based on the historical interest income earned over the past few years. Franchise Fees, Public Service Tax and Intergovernmental Revenues are projected to increase in total by \$1,416,900 in anticipation of the trending increase in revenues. Sales and use tax are projected to increase by \$538,300 based on revenue trends in 2024. The General Fund consists of governmental services such as general administration, public safety, parks and recreation, and public works.

On June 13, 2024, City Council adopted Resolution 2024-45 establishing for advertising purposes a new stormwater assessment rate. At the proposed rate this will generate about \$5.2 million annually which will be used to fund the stormwater services of the City including street sweeping services, stormwater pond cleanings and stormwater vault maintenance.

The fiscal year 2025 budget for Pensacola Energy anticipates a \$7.9 million or 11% decrease in revenue from the fiscal year 2024 budget mainly due to the cost of gas. The rate structure adopted by the Council during fiscal year 2007 included an annual inflation adjustment component (based upon the percentage difference in the cost of living as computed under the most recent Consumer Price Index - CPI), providing the funding needed for future operations and capital requirements to prudently maintain Pensacola Energy's natural gas system and to build cash reserves for contingencies. Since 2021, the City has opted to forego routine cost-of-living (CPI) changes due to the COVID19 pandemic and the high cost of gas. Over this time period a total of 17.6% in CPI adjustments have been withheld; however, with the decrease in the cost of natural gas the City would plan to recoup a total of 15% of the withheld CPI adjustments in fiscal year 2025. This increase coupled with the decrease in the cost of gas charge would result in an average increase of about \$4.15 per month for residential customers and about \$49 per month for commercial customers.

In fiscal year 2024, the City launched a significant initiative to align employee salaries with market rates. A study by Evergreen Consulting revealed that City salaries were in the 20th percentile compared to similar agencies across the state. In response, the City initiated a historic three-year plan to elevate non-unionized employees' salaries to the 50th percentile, with an estimated cost of over \$3.2 million, excluding benefits. Additionally, the City successfully negotiated a new contract with the fire union, securing raises totaling more than \$1.8 million over three years. Firefighter salaries increased by at least 12% in the first year, with further increases of 7% on October 1, 2024, and 2% on October 1, 2025. The City is also engaged in collective bargaining for the next police union contract, set to take effect in fiscal year 2025.

Year two of the salary increases for both non-unionized employees and firefighters are included in the fiscal year 2025 budget, alongside anticipated raises for the police union. These salary adjustments remain a key focus of the fiscal year 2025 budget across all funds. While the financial commitment to these increases is substantial, adjustments have been made to accommodate the expense. Although the budget includes funding for several new positions, it also reflects a net reduction of 17 positions compared to fiscal year 2024. Some of these positions were eliminated during fiscal year 2024, while others were removed in the fiscal year 2025 budget, bringing the total number of positions to 872—closer to fiscal year 2022 levels. All eliminated positions were vacant, ensuring no existing employees were affected.

On June 09, 2010, the City Council approved Resolution No. 31-10 which established the Fund Balance Policy of Governmental Funds as well as committed the Council Reserves Fund Balance in the General Fund. On October 9, 2014, the City Council approved the same Council Reserve Policy by Ordinance, amending chapter 3-1 of the Code of the City of Pensacola, Florida; creating section 3-1-13. The Fund Balance Policy states that a minimum reserve of 20 percent of beginning adopted appropriations should be maintained in the General Fund as a Council Reserve. The minimum reserve was initially adopted as part of the Financial Planning and Administration Policy on July 23, 1998. The existing General Fund reserve balance (shown on the face of the financial statements as "Council Reserve") totaled \$15,586,480 which represents 20% of fiscal year 2025 budgeted General Fund appropriations.

The City's financial policy states that non-recurring revenues should be used only to finance non-recurring expenditures. City Council revised the Financial Planning and Administration Policy in fiscal year 2007 to stipulate that the General Fund's maximum amount of appropriated beginning fund balance should not be more than three percent of budgeted revenues.

Request for Information

This financial report is designed to provide a general overview of the City of Pensacola's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, PO Box 12910, Pensacola, Florida 32521. The City of Pensacola's website address is www.cityofpensacola.com.



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BASIC FINANCIAL STATEMENTS

CITY OF PENSACOLA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government			Component Unit
	Governmental	Business-type		Downtown
	Activities	Activities	Total	Improvement
				Board
ASSETS				
Current assets				
Cash and cash equivalents	\$ 30,423,659	\$ 24,213,415	\$ 54,637,074	\$ 305,721
Other cash	8,647		8,647	
Investments	28,090,439	30,595,711	58,686,150	
Accrued interest	1,890,827	135,436	2,026,263	
Receivables (net of allowances)				
Accounts	2,624,121	11,272,360	13,896,481	16,354
Internal balances	245,145	(245,145)	-	
Due from other governments	7,086,539	3,960,211	11,046,750	
Inventory	1,380,350	1,016,610	2,396,960	
Lease receivable	136,752	1,436,828	1,573,580	
Prepays and deposits	1,050,805		1,050,805	2,422
Restricted assets				
Restricted cash and cash equivalents	4,979,943	38,750,136	43,730,079	
Investments	6,292,585	48,964,103	55,256,688	
Total current assets	84,209,812	160,099,665	244,309,477	324,497
Noncurrent assets				
Cash and cash equivalents	12,350,222		12,350,222	
Investments	15,605,559		15,605,559	
Intangible asset		76,502	76,502	
Note receivable	689,177		689,177	
Lease receivable	19,496,399	25,227,287	44,723,686	
Restricted assets				
Cash and cash equivalents	3,989,188	12,196,188	16,185,376	
Investments	5,040,679	15,410,924	20,451,603	
Capital assets				
Non-depreciable	36,085,109	55,042,889	91,127,998	
Depreciable (net)	232,620,057	272,838,956	505,459,013	98,465
Intangible right-to-use asset (net)	1,164,509	247,070	1,411,579	
Total noncurrent assets	327,040,899	381,039,816	708,080,715	98,465
Total assets	411,250,711	541,139,481	952,390,192	422,962
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on early retirement debt	101,668	394,698	496,366	
Deferred pension	49,153,362	12,569,985	61,723,347	
Deferred OPEB	1,489,316	573,120	2,062,436	
Total deferred outflows of resources	50,744,346	13,537,803	64,282,149	0

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government			Component Unit
	Governmental	Business-type		Downtown
	Activities	Activities	Total	Improvement
				Board
LIABILITIES				
Current liabilities				
Accounts payable	\$ 1,332,782	\$ 2,709,177	\$ 4,041,959	\$ 26,167
Contracts payable	1,685,136	4,266,007	5,951,143	
Contracts payable - retainage	304,266	749,731	1,053,997	
Accrued interest payable	19,656	472	20,128	
Due to other governments	99,307	9,834	109,141	26,780
Wages and benefits payable	3,572,331		3,572,331	
Compensated absences payable	477,229	36,900	514,129	
Deposits	227,949	432,649	660,598	
Claims and judgments payable	2,753,184		2,753,184	
Unearned revenue	7,704,405		7,704,405	5,000
Lease payable	66,671	12,083	78,754	
SBITA payable	469,707		469,707	
OPEB Liability	21,583	104,983	126,566	
Payable from restricted assets				
Due to other governments	1,300,000		1,300,000	
Bonds/Notes payable	5,854,981	4,905,000	10,759,981	
Unearned revenue		33,377,439	33,377,439	
Accrued interest payable	1,173,205	622,956	1,796,161	
Total current liabilities	27,062,392	47,227,231	74,289,623	57,947
Noncurrent liabilities				
Due to other governments	2,600,000		2,600,000	
Compensated absences payable	5,740,408	2,289,255	8,029,663	3,095
Claims and judgments payable	865,812		865,812	
Bonds/Notes payable	73,568,587	32,374,000	105,942,587	
Lease payable	28,373	266,951	295,324	
SBITA payable	433,904		433,904	
Net pension liability	103,704,108	27,050,687	130,754,795	
OPEB liability	8,278,619	3,074,011	11,352,630	
Total noncurrent liabilities	195,219,811	65,054,904	260,274,715	3,095
Total liabilities	222,282,203	112,282,135	334,564,338	61,042
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on early retirement	274,311		274,311	
Deferred pension	4,583,231	1,025,572	5,608,803	
Deferred OPEB	7,382,722	2,933,236	10,315,958	
Leases	18,748,436	25,880,670	44,629,106	
Total deferred outflows of resources	30,988,700	29,839,478	60,828,178	0
NET POSITION				
Net investment in capital assets	197,344,530	290,299,563	487,644,093	98,465
Restricted for				
Capital projects	6,629,615		6,629,615	
Debt service	7,009,246	3,369,612	10,378,858	
Community redevelopment	8,187,266		8,187,266	
Federal housing program	2,102,725		2,102,725	
Other purposes	9,570,828		9,570,828	
Renewal and replacement		17,622,000	17,622,000	
Operations and maintenance		6,615,500	6,615,500	
Customer facility charge		7,756,252	7,756,252	
Passenger facility charge		24,219,995	24,219,995	
Unrestricted	(22,120,056)	62,672,749	40,552,693	263,455
Total net position	\$ 208,724,154	\$ 412,555,671	\$ 621,279,825	\$ 361,920

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

<u>Function/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental activities:				
General government	\$ 19,344,410	\$ 378,339	\$ 10,186,192	\$ 302,226
Public safety	52,945,798	3,289,626	209,344	268,274
Transportation	9,986,044	2,710,873	291,471	79,288
Culture and recreation	18,058,922	2,655,130	657,384	2,075,491
Economic environment	21,209,080		20,633,872	
Physical environment	7,526,155	4,732,452	374,114	342,195
Human services				
Unallocated depreciation	1,623,010			
Interest on long-term debt	2,449,522			
Total governmental activities	<u>133,142,941</u>	<u>13,766,420</u>	<u>32,352,377</u>	<u>3,067,474</u>
Business-type activities:				
Utility	40,695,251	53,371,891		524,507
Sanitation	8,065,647	8,374,096		
Port	3,701,417	2,522,255		1,630,334
Airport	39,275,667	35,120,244		16,812,815
Total business-type activities	<u>91,737,982</u>	<u>99,388,486</u>	<u>0</u>	<u>18,967,656</u>
Total primary government	<u>\$ 224,880,923</u>	<u>\$ 113,154,906</u>	<u>\$ 32,352,377</u>	<u>\$ 22,035,130</u>
Component unit:				
Downtown Improvement Board	\$ 1,733,879	\$ 310,026	\$ 574,070	\$ -
Total component units	<u>\$ 1,733,879</u>	<u>\$ 310,026</u>	<u>\$ 574,070</u>	<u>\$ -</u>

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Net (Expenses) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental	Business-type		Downtown
Function/Programs	Activities	Activities	Total	Improvement
				Board
Primary government				
Governmental activities:				
General government	\$ (8,477,653)		\$ (8,477,653)	
Public safety	(49,178,554)		(49,178,554)	
Transportation	(6,904,412)		(6,904,412)	
Culture and recreation	(12,670,917)		(12,670,917)	
Economic environment	(575,208)		(575,208)	
Physical environment	(2,077,394)		(2,077,394)	
Human services	-		-	
Unallocated depreciation	(1,623,010)		(1,623,010)	
Interest on long-term debt	(2,449,522)		(2,449,522)	
Total governmental activities	(83,956,670)		(83,956,670)	
Business-type activities:				
Utility		\$ 13,201,147	13,201,147	
Sanitation		308,449	308,449	
Port		451,172	451,172	
Airport		12,657,392	12,657,392	
Total business-type activities		26,618,160	26,618,160	
Total primary government	(83,956,670)	26,618,160	(57,338,510)	
Component unit:				
Downtown Improvement Board				\$ (849,783)
Total component units				
General revenues:				
Property taxes	24,464,687		24,464,687	751,455
Public service taxes	9,669,464		9,669,464	
Franchise fees	9,615,200		9,615,200	
Communication service tax	3,258,330		3,258,330	
Local business tax	945,409		945,409	
Local option gasoline tax	1,423,954		1,423,954	
Local option sales tax	12,212,289		12,212,289	
Unrestricted intergovernmental revenues	9,414,585		9,414,585	
Unrestricted investment earnings	4,396,700	6,351,988	10,748,688	
Insurance recoveries			-	
Gain on sale of capital asset	225,719	33,073	258,792	
Miscellaneous	373,197	556,307	929,504	14,685
Transfers	10,914,627	(10,914,627)	0	
Overhead transfers	3,008,500	(3,008,500)	0	
Total general revenues, transfers, and other items	89,922,661	(6,981,759)	82,940,902	766,140
Change in net position	5,965,991	19,636,401	25,602,392	(83,643)
Net position at beginning of year	201,029,382	394,648,051	595,677,433	445,563
Residual Equity Transfer	1,728,781	(1,728,781)	-	
Net position at beginning of year, as restated	202,758,163	392,919,270	595,677,433	445,563
Net position September 30, 2024	\$ 208,724,154	\$ 412,555,671	\$ 621,279,825	\$ 361,920

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	Housing Assistance Payments	CMP Management Services Fund	Local Option Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 16,969,457	\$ 938,441	\$	\$ 2,546,055	\$ 19,440,070	\$ 39,894,023
Other cash		2,478			6,169	8,647
Investments	11,089,904	1,185,800		3,217,158	24,564,190	40,057,052
Accrued interest	1,772,229		118,375		223	1,890,827
Accounts receivable	1,558,135	94,893	378,048		337,703	2,368,779
Due from other funds	2,129,787				103,627	2,233,414
Due from other governments	1,312,051			845,682	4,928,806	7,086,539
Prepays and deposits	439,144	8,305	105,916		48,706	602,071
Inventories					6,566	6,566
Notes receivable					689,177	689,177
Lease Receivable					647,645	19,633,151
Restricted assets	5,267,686		13,717,820			
Cash and cash equivalents	848,978	4,288	520,500	1,131,360	2,984,973	5,490,099
Investments	1,072,757	5,419	657,696	1,429,570	3,771,768	6,937,210
Total assets	\$ 42,460,128	\$ 2,239,624	\$ 15,498,355	\$ 9,169,825	\$ 57,529,623	\$ 126,897,555
LIABILITIES						
Accounts payable	\$ 846,747	\$ 5,599	\$ 52,787	\$ 3,142	\$ 290,754	\$ 1,199,029
Contracts payable	173,595		27,207	153,038	1,277,383	1,631,223
Contracts payable - retainage	623			4,970	298,673	304,266
Due to other funds		34,792	3,028		1,240,173	1,277,993
Due to other governments	2,060	1,260			95,987	99,307
Compensated absences payable	76,680				17,730	94,410
Wages and benefits payable	3,572,331	356	59,076		6,863,034	3,572,331
Unearned revenue	781,939					7,704,405
Deposits	74,229		3,300		133,004	210,533
Total liabilities	5,528,204	42,007	145,398	161,150	10,216,738	16,093,497
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	55,793	94,892			735,485	886,170
Related to leases	4,724,397		13,395,759		628,280	18,748,436
Total deferred inflows of resources	4,780,190	94,892	13,395,759	-	1,363,765	19,634,606

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	Housing Assistance Payments	CMP Management Services Fund	Local Option Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCE (DEFICITS)						
Non-spendable	439,144	8,305	105,916		55,272	608,637
Restricted						
Saenger capital	541,840					541,840
Community development projects					17,219,266	17,219,266
Debt service payments				2,455,462	5,726,989	8,182,451
Other restricted	2,516,003	2,094,420	890,680	6,553,213	5,852,907	17,907,223
Committed						
Park purchases	56,434					56,434
Tree landscape	561,176					561,176
Council reserve	15,586,480					15,586,480
Stormwater projectss			960,602		7,244,871	7,244,871
Assigned	11,722,500				10,537,641	23,220,743
Unassigned	728,157				(687,826)	40,331
Total fund balances	32,151,734	2,102,725	1,957,198	9,008,675	45,949,120	91,169,452
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 42,460,128	\$ 2,239,624	\$ 15,498,355	\$ 9,169,825	\$ 57,529,623	
Capital assets used in governmental activities are not financial resources to the governmental funds. The cost of the assets is \$470,957,526 and the accumulated depreciation is \$204,697,317.						
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.						266,260,209
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.						886,170
Net other post employment benefits (OPEB) liability, as required by Governmental Accounting Standards Statement No. 75, are not due and payable in the current period and therefore are not reported in the governmental funds.						9,561,422
Net pension liability (NPL), as required by Governmental Accounting Standards Statement No. 68, is not due and payable in the current period and therefore is not reported in the governmental funds.						(13,043,338)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.						(55,676,268)
			Notes payable		(79,423,568)	
			Deferred gain on refunding		(274,311)	
			Deferred loss on early retirement		101,668	
			Due to other governments		(3,900,000)	
			Compensated absences		(5,668,853)	
			Lease obligations		(95,224)	
			Accrued interest payable		(1,173,205)	
Net position of governmental activities						(90,433,493)
						\$ 208,724,154

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Housing Assistance Payments	CMP Management Services Fund	Local Option Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 38,337,891	\$	\$	\$ 12,212,289	\$ 1,423,954	\$ 51,974,134
Licenses and permits	178,984				2,111,851	2,290,835
Franchise fees	9,615,200					9,615,200
Intergovernmental	9,458,316					43,427,167
Charges for services	1,670,605	20,404,053	723,671	1,302,546	8,211,811	10,606,087
Fines and forfeits	98,609				440,995	539,604
Assessments	27,969					27,969
Interest income	1,508,785	57,986	146,671	198,900	1,893,903	3,806,245
Donations	201,835		50,256		1,030,969	1,283,060
Other	847,480	50	222	152,197	114,634	1,114,583
Total revenues	61,945,674	20,462,089	920,820	13,865,932	27,490,369	124,684,884
Expenditures:						
Current -						
General government	8,958,448				7,721,030	16,679,478
Public safety	41,659,319			353,280	2,631,427	44,644,026
Transportation	4,228,283				1,840,926	6,069,209
Culture and recreation	8,800,863		1,098,928		2,449,050	12,348,841
Economic environment	426,289	20,474,317			243,784	21,144,390
Physical environment	200				5,415,330	5,415,530
Capital outlay	514,429	64,836	220,388	3,995,022	11,181,728	15,976,403
Debt service -						
Principal retirement				2,276,000	3,448,612	5,724,612
Interest		20,539,153	1,319,316	285,391	2,220,832	2,506,223
Total expenditures	64,587,831	20,539,153	1,319,316	6,909,693	37,152,719	130,508,712
Excess (deficiency) of revenues over (under) expenditures	(2,642,157)	(77,064)	(398,496)	6,956,239	(9,662,350)	(5,823,828)
Other financing sources (uses):						
Transfers in	11,137,600				13,385,731	24,523,331
Transfers (out)	(7,800,143)			(223,622)	(5,582,932)	(13,606,697)
Sale of capital assets	220,363	538			3,459	224,360
Total other financing sources (uses)	3,557,820	538.00	-	(223,622)	7,806,258	11,140,994
Net Change in fund balances	915,663	(76,526)	(398,496)	6,732,617	(1,856,092)	5,317,166
Fund balances at beginning of year, as previously presented	31,236,071	2,179,251	-	2,276,058	48,432,125	84,123,505
Change within financial reporting entity nonmajor to major			2,355,694		(2,355,694)	-
Residual equity transfer					1,728,781	1,728,781
Fund balances at beginning of year, as restated	31,236,071	2,179,251	2,355,694	2,276,058	47,805,212	85,852,286
Fund balances at end of year	\$ 32,151,734	\$ 2,102,725	\$ 1,957,198	\$ 9,008,675	\$ 45,949,120	\$ 91,169,452

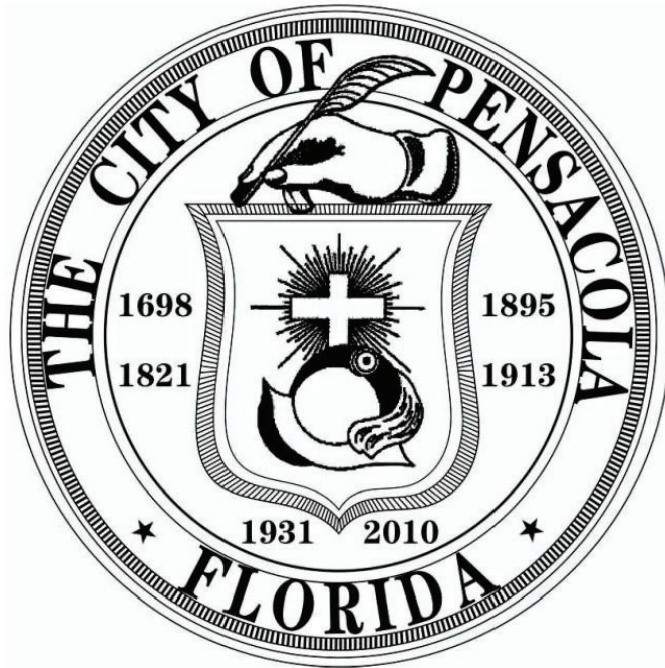
(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Net change in fund balances - total governmental funds	\$ 5,317,166
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Expenditures for capital assets	15,976,403
Less current year depreciation	<u>(16,370,514)</u>
	(394,111)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	5,724,612
Repayment of long-term amounts due to other governments are expenditures in the governmental funds, but the repayment reduces the liability in the statement of net position.	1,300,000
Some revenues reported in the statement of activities do not provide current financial resources, therefore, those revenues are not reported as revenues in governmental funds.	(316,719)
Compensated absences, reported in the statement of activities, does not require the use of current financial resources, therefore, it is not reported as an expenditure in governmental funds.	(737,111)
Accrued interest expense, reported in the statement of activities, do not require the use of current financial resources in governmental funds.	56,701
The change in annual other post employment benefits (OPEB) cost, as required by Governmental Accounting Standards Statement No. 75, does not require the use of current financial resources; therefore, the change is not reported as an expenditure in governmental funds.	1,056,694
The change in leases, as required by Governmental Accounting Standards Statement No. 87, does not require the use of current financial resource; therefore, the change is not reported as an expenditure in governmental funds.	(874)
The change in annual net pension liability (NPL) cost, as required by Governmental Accounting Standards Statement No. 68, does not require the use of current financial resource; therefore, the change is not reported as an expenditure in governmental funds.	(6,315,709)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	356,789
The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets disposed must be offset against the sale proceeds resulting in a gain/(loss) on sale of capital assets in the statement of activities. Donations of capital assets do not provide current financial resources to the governmental funds.	
Net book value of capital assets disposed	(82,913)
Donations of capital assets	<u>1,466</u>
	(81,447)
Change in net position of governmental activities	\$ 5,965,991

The accompanying notes are an integral part of these financial statements.



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CITY OF PENSACOLA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total Enterprise Funds	
ASSETS						
Current assets						
Cash and cash equivalents	\$ 7,728,593	\$ 152,050	\$ 1,362,434	\$ 14,970,338	\$ 24,213,415	\$ 2,879,858
Investments	9,765,735	192,127	1,721,551	18,916,298	30,595,711	3,638,946
Interest receivable			96,063	39,373	135,436	
Accounts receivable (net)	3,428,107	434,442	364,595	7,045,216	11,272,360	255,342
Due from other funds	510,000				510,000	
Due from other governments			1,631,006	2,329,205	3,960,211	
Prepaid expenses	109,100	10,103	212,196	685,211	1,016,610	448,734
Inventory					-	1,373,784
Lease receivable			496,086	940,742	1,436,828	
Restricted assets						
Cash and cash equivalents	884,247	877,652		36,988,237	38,750,136	
Investments	1,117,321	1,108,988		46,737,794	48,964,103	
Total current assets	<u>23,543,103</u>	<u>2,775,362</u>	<u>5,883,931</u>	<u>128,652,414</u>	<u>160,854,810</u>	<u>8,596,664</u>
Noncurrent assets						
Intangible asset	76,502				76,502	
Lease receivable			6,735,604	18,491,683	25,227,287	
Restricted assets						
Cash and cash equivalents				12,196,188	12,196,188	3,479,032
Investments				15,410,924	15,410,924	4,396,054
Capital assets						
Non-depreciable	1,037,128	41,093	3,907,045	50,057,623	55,042,889	
Depreciable (net)	76,854,149	4,340,257	11,585,873	180,058,677	272,838,956	2,539,073
Intangible right-to-use asset (net)	247,070				247,070	1,070,393
Total noncurrent assets	<u>78,214,849</u>	<u>4,381,350</u>	<u>22,228,522</u>	<u>276,215,095</u>	<u>381,039,816</u>	<u>11,484,552</u>
Total assets	<u>101,757,952</u>	<u>7,156,712</u>	<u>28,112,453</u>	<u>404,867,509</u>	<u>541,894,626</u>	<u>20,081,216</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on early retirement				394,698	394,698	
Deferred pension	5,831,173	2,952,590	486,170	3,300,052	12,569,985	2,541,225
Deferred OPEB	314,158	108,403	24,627	125,932	573,120	111,243
Total deferred outflows of resources	<u>6,145,331</u>	<u>3,060,993</u>	<u>510,797</u>	<u>3,820,682</u>	<u>13,537,803</u>	<u>2,652,468</u>

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total Enterprise Funds	
LIABILITIES						
Current liabilities						
Accounts payable	1,930,817	155,197	36,159	587,004	2,709,177	133,753
Contracts payable	181,020	41,978	1,062,771	2,980,238	4,266,007	53,913
Contracts payable - retainage			65,620	684,111	749,731	
Accrued interest payable	472				472	19,476
Due to other funds	337,276	119,752	24,496	273,621	755,145	710,276
Due to other governments			9,834		9,834	
Compensated absences payable		36,900			36,900	382,819
Claims and judgments payable					-	2,753,184
Lease payable	12,083				12,083	
SBITA payable					0	469,707
Deposits			27,252	405,397	432,649	17,416
OPEB Liability	56,386	19,440	4,704	24,453	104,983	21,583
Payable from restricted assets						
Notes payable	1,943,000			2,962,000	4,905,000	
Unearned revenue				33,377,439	33,377,439	
Accrued interest payable	58,568			564,388	622,956	
Total current liabilities	4,519,622	373,267	1,230,836	41,858,651	47,982,376	4,562,127
Noncurrent liabilities						
Compensated absences payable	1,062,720	260,962	113,720	851,853	2,289,255	71,555
Claims and judgments payable					-	865,812
Notes payable	4,003,000			28,371,000	32,374,000	
Lease payable	266,951				266,951	
SBITA payable					-	433,904
Net pension liability	12,271,700	6,289,632	1,096,825	7,392,530	27,050,687	5,723,342
OPEB liability	1,651,037	569,220	137,739	716,015	3,074,011	631,966
Total noncurrent liabilities	19,255,408	7,119,814	1,348,284	37,331,398	65,054,904	7,726,579
Total liabilities	23,775,030	7,493,081	2,579,120	79,190,049	113,037,280	12,288,706
DEFERRED INFLOWS OF RESOURCES						
Deferred pension	350,019	260,200	52,181	363,172	1,025,572	275,592
Deferred OPEB	1,507,212	600,510	107,774	717,740	2,933,236	607,964
Leases			6,416,284	19,464,386	25,880,670	
Total deferred outflows of resources	1,857,231	860,710	6,576,239	20,545,298	29,839,478	883,556
NET POSITION						
Net investment in capital assets	71,989,815	4,381,350	14,750,400	199,177,998	290,299,563	2,701,555
Restricted						
Debt service				3,369,612	3,369,612	
Renewal and replacement				17,622,000	17,622,000	
Operations and maintenance				6,615,500	6,615,500	
Customer facility charge				7,756,252	7,756,252	
Passenger facility charge				24,219,995	24,219,995	
Unrestricted	10,281,207	(2,517,436)	4,717,491	50,191,487	62,672,749	6,859,867
Total net (deficit) position	\$ 82,271,022	\$ 1,863,914	\$ 19,467,891	\$ 308,952,844	\$ 412,555,671	\$ 9,561,422

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total	
Operating revenues:						
Charges for services	\$ 53,371,891	\$ 8,374,096	\$ 2,522,255	\$ 35,120,244	\$ 99,388,486	\$ 6,637,713
Insurance					-	22,636,131
Other	401,879	137,681	2,485	14,262	556,307	209,852
Total operating revenues	<u>53,773,770</u>	<u>8,511,777</u>	<u>2,524,740</u>	<u>35,134,506</u>	<u>99,944,793</u>	<u>29,483,696</u>
Operating expenses:						
Gas purchases	22,423,001				22,423,001	
Salaries and employee benefits	7,194,819	3,433,644	939,857	8,262,518	19,830,838	5,223,026
Materials and supplies	603,565	519,603	24,626	324,245	1,472,039	146,544
Repairs and maintenance	655,331	1,470,930	512,998	3,101,705	5,740,964	215,300
Contractual services	4,376,180	231,449	234,821	7,979,516	12,821,966	1,543,734
Office and utilities	2,020,721	535,653	846,057	3,736,044	7,138,475	722,238
Land fill fees		1,170,862			1,170,862	
Overhead allocation	1,352,300	532,500	214,200	909,500	3,008,500	
Premiums and claims expense					-	21,130,967
Total operating expenses before depreciation and amortization	<u>38,625,917</u>	<u>7,894,641</u>	<u>2,772,559</u>	<u>24,313,528</u>	<u>73,606,645</u>	<u>28,981,809</u>
Operating income (loss) before depreciation and amortization	15,147,853	617,136	(247,819)	10,820,978	26,338,148	501,887
Depreciation and amortization	<u>3,284,528</u>	<u>702,243</u>	<u>1,143,058</u>	<u>14,682,238</u>	<u>19,812,067</u>	<u>734,305</u>
Operating income (loss)	<u>11,863,325</u>	<u>(85,107)</u>	<u>(1,390,877)</u>	<u>(3,861,260)</u>	<u>6,526,081</u>	<u>(232,418)</u>
Nonoperating revenues (expenses):						
Investment interest	741,681	90,435	360,464	5,159,408	6,351,988	22,964
Interest expense	(125,590)	(1,263)		(1,189,401)	(1,316,254)	(22,205)
Amortization of bond expense	(11,516)				(11,516)	
Gain (loss) on disposal of capital assets	48,123	(43,949)		28,899	33,073	590,455
Total nonoperating revenues (expenses)	<u>652,698</u>	<u>45,223</u>	<u>360,464</u>	<u>3,998,906</u>	<u>5,057,291</u>	<u>591,214</u>
Income (loss) before contributions and transfers	<u>12,516,023</u>	<u>(39,884)</u>	<u>(1,030,413)</u>	<u>137,646</u>	<u>11,583,372</u>	<u>358,796</u>
Contributions and transfers:						
Contributions						
Federal and state grants	524,507		1,630,334	5,423,646	7,578,487	
Passenger facility charge				5,922,365	5,922,365	
Passenger facility charge - Interest				872,089	872,089	
Contributed capital (to) from other funds					-	
Donations				4,594,715	4,594,715	
Transfers in (out)	(11,137,600)		42,709	180,264	(10,914,627)	(2,007)
Total contributions and transfers	<u>(10,613,093)</u>	<u>-</u>	<u>1,673,043</u>	<u>16,993,079</u>	<u>8,053,029</u>	<u>(2,007)</u>
Change in net position	<u>1,902,930</u>	<u>(39,884)</u>	<u>642,630</u>	<u>17,130,725</u>	<u>19,636,401</u>	<u>356,789</u>
Net position at beginning of year	<u>80,368,092</u>	<u>3,632,579</u>	<u>18,825,261</u>	<u>291,822,119</u>	<u>394,648,051</u>	<u>9,204,633</u>
Residual equity transfer		(1,728,781)			(1,728,781)	
Net position at beginning of year, as restated	<u>80,368,092</u>	<u>1,903,798</u>	<u>18,825,261</u>	<u>291,822,119</u>	<u>392,919,270</u>	<u>9,204,633</u>
Net position at end of year	<u>\$ 82,271,022</u>	<u>\$ 1,863,914</u>	<u>\$ 19,467,891</u>	<u>\$ 308,952,844</u>	<u>\$ 412,555,671</u>	<u>\$ 9,561,422</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total	
Cash flows from operating activities:						
Cash received from customers	\$ 53,140,136	\$ 8,819,655	\$ 2,495,009	\$ 34,764,652	\$ 99,219,452	\$ 24,029,950
Cash received from other funds					-	2,535,594
Cash payments to suppliers for goods and services	(31,763,868)	(4,406,386)	(1,637,156)	(16,642,361)	(54,449,771)	(26,276,507)
Cash payments to employees for services	(6,737,814)	(3,501,260)	(907,675)	(7,052,934)	(18,199,683)	(722,176)
Net cash provided by (used for) operating activities	<u>14,638,454</u>	<u>912,009</u>	<u>(49,822)</u>	<u>11,069,357</u>	<u>26,569,998</u>	<u>(433,139)</u>
Cash flows from noncapital financing activities:						
Advance from (to) other funds					-	
Due (from) to other funds					-	
Net transfers	(11,137,600)	(1,728,781)			(12,866,381)	19,600
Net cash provided by (used for) noncapital financing activities	<u>(11,137,600)</u>	<u>(1,728,781.00)</u>	<u>-</u>	<u>-</u>	<u>(12,866,381)</u>	<u>19,600</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(6,456,660)		(168,676)	(3,856,912)	(10,482,248)	(602,424)
Acquisition of capital assets with grant monies			(1,223,772)	(10,027,948)	(11,251,720.00)	
Proceeds from sale of assets	57,507	2,170		28,898	88,575	1,358
Contributions from other governments	524,507		380,568	5,819,177	6,724,252	
Contributions from customers				10,612,255	10,612,255	
Principal paid on capital debt	(1,905,000)			(2,872,000)	(4,777,000)	
Interest paid on capital debt	(135,900)			(1,173,249)	(1,309,149)	
Interest payments on lease/SBITA	(8,358)	(1,263)			(9,621)	(2,926)
Payments from leasing activities			228,935	553,166	782,101	
Proceeds from note receivable	<u>88,430</u>				<u>88,430</u>	
Net cash provided by (used for) capital and related financing activities	<u>(7,835,474)</u>	<u>907</u>	<u>(782,945)</u>	<u>(916,613)</u>	<u>(9,534,125)</u>	<u>(603,992)</u>
Cash flows from investing activities:						
Sale (purchase) of investments	1,695,707	363,924	340,632	(9,989,060)	(7,588,797)	39,440
Sale (purchase) of intangible asset						
Interest on investments	<u>741,680</u>	<u>90,435</u>	<u>131,530</u>	<u>4,604,200</u>	<u>5,567,845</u>	<u>590,454</u>
Net cash provided by (used for) investing activities	<u>2,437,387</u>	<u>454,359</u>	<u>472,162</u>	<u>(5,384,860)</u>	<u>(2,020,952)</u>	<u>629,894</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,897,233)</u>	<u>(361,506)</u>	<u>(360,605)</u>	<u>4,767,884</u>	<u>2,148,540</u>	<u>(387,637)</u>
Cash and cash equivalents at beginning of year	<u>10,510,072</u>	<u>1,391,208</u>	<u>1,723,039</u>	<u>59,386,878</u>	<u>73,011,197</u>	<u>6,746,527</u>
Cash and cash equivalents at end of year	<u>\$ 8,612,839</u>	<u>\$ 1,029,702</u>	<u>\$ 1,362,434</u>	<u>\$ 64,154,762</u>	<u>\$ 75,159,737</u>	<u>\$ 6,358,890</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
RECONCILIATION OF OPERATING INCOME (LOSS)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total	
Operating income (loss)	\$ 11,863,325	\$ (85,107)	\$ (1,390,877)	\$ (3,861,260)	\$ 6,526,081	\$ (232,418)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	3,284,528	702,243	1,143,058	14,682,238	19,812,067	734,305
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	(618,206)	347,370	(50,138)	(267,225)	(588,199)	41,613
(Increase) decrease in inventory					-	156,412
(Increase) decrease in due from other funds	160,000				160,000	
(Increase) decrease in prepaid expense	(18,616)	(8,473)	(183,420)	(594,608)	(805,117)	(151,791)
(Increase) decrease in lease receivable			31,848	(258,115)	(226,267)	
Increase (decrease) in accounts payable	(246,178)	29,394	(184)	50,045	(166,923)	(2,981)
Increase (decrease) in contracts payable	17,974	39,126	367,666	450,390	875,156	(46,845)
Increase (decrease) in supply				(46,788)	(46,788)	
Increase (decrease) in due to other funds	21,938	(12,990)	815	33,009	42,772	(115,728)
Increase (decrease) in due to other governments			84		84	
Increase (decrease) in deposits			(41)	155,486	155,445	(7,965)
Increase (decrease) in claims and judgments					-	(401,864)
Increase (decrease) in deferred revenue	(40,182)				(40,182)	(25,000)
Increase (decrease) in lease payable	(11,462)				(11,462)	
Increase (decrease) in SBITA	(56,514)	(44,928)			(101,442)	(494,337)
Increase (decrease) in compensated absences	87,474	(125,096)	5,399	167,481	135,258	(9,627)
Increase (decrease) in lease deferred inflow					0	
Increase (decrease) in net OPEB obligation	(229,638)	(69,966)	(17,941)	(114,820)	(432,365)	(98,674)
Increase (decrease) in net pension liability	424,011	140,436	43,909	673,524	1,281,880	221,761
Net cash provided by (used for) operating activities:	<u>\$ 14,638,454</u>	<u>\$ 912,009</u>	<u>\$ (49,822)</u>	<u>\$ 11,069,357</u>	<u>\$ 26,569,998</u>	<u>\$ (433,139)</u>
Noncash investing, capital, and financing activities:						
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total	Internal Service Funds
Amortization of bond expense	\$ (11,516)	\$	\$	\$ 60,625	\$ 49,109	\$
SBITA agreements initiated in current year					-	1,302,032
Lease land agreement initiated during current year	7,888				7,888	

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
COMBINED STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024

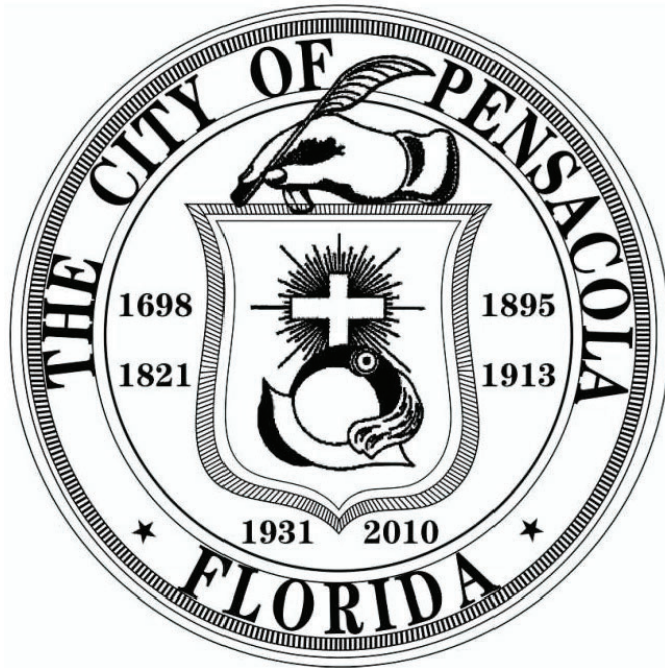
	<u>Total Pension Trust Funds</u>
ASSETS	
Other cash	\$ <u>799,439</u>
Receivables:	
Employer	661
Employee	53,746
Due from other governments	82,143
Due from other funds	<u>5</u>
Total receivables	<u>136,555</u>
Investments:	
Short term investments	8,028,697
Debt Securities & Bond Mutual Funds	89,943,047
Convertible Corporate Bonds	22,635,135
Stock Mutual Funds	37,313,768
Mortgage Backed Securities	30,145,464
Commingled Trust Fund	40,086,809
Domestic Stocks	152,762,852
Preferred Stocks	540,481
Foreign Stocks	<u>37,390,741</u>
Total investments	<u>418,846,994</u>
Total assets	\$ <u><u>419,782,988</u></u>
LIABILITIES	
Accounts payable	\$ <u>318,547</u>
Total liabilities	<u>318,547</u>
NET POSITION	
Restricted for pension benefits	\$ <u><u>419,464,441</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Total Pension Trust Funds
Additions:	
Contributions - city	\$ 10,255,174
Contributions - employee	1,307,710
Commission recapture	5,222
Insurance proceeds - State of Florida	1,789,975
Total contributions	<u>13,358,081</u>
Investment income	
Net appreciation	
in fair value of investments	58,463,100
Interest and dividends	10,507,027
	<u>68,970,127</u>
Less investment expense	1,671,208
Net investment income	<u>67,298,919</u>
Total additions	<u>80,657,000</u>
Deductions:	
Pensions paid - employees	26,190,137
Pensions paid - widows	4,104,799
Pensions paid - children	2,862
Refunds to employees	30,539
Deferred retirement option plan	1,472,469
Health insurance assistance	90,188
Administrative expenses	444,318
Total deductions	<u>32,335,312</u>
Change in net position	<u>48,321,688</u>
Net position held in trust for pension benefits:	
Beginning of year	<u>371,142,753</u>
End of year	\$ <u><u>419,464,441</u></u>

The accompanying notes are an integral part of these financial statements.



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NOTES TO

FINANCIAL STATEMENTS

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

TOPICAL INDEX

NOTE I- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity.....	66
Blended Component Unit	66
Discretely Presented Component Unit	67
Joint Ventures Excluded from Reporting Entity.....	67
Government Wide and Fund Financial Statements.....	70
Basis of Accounting, Measurement Focus and Financial Presentation	70
Assets, Liabilities, and Net Position or Equity.....	73
Cash and Cash Equivalents	73
Investments	73
Interfund Receivables/Payables	73
Inventories	74
Prepaid Insurance	74
Restricted Assets.....	74
Capital Assets.....	74
Leases.....	75
Subscription-Based Information Technology Arrangements	76
Deferred Outflows/Inflows of Resources	77
Pensions	78
Compensated Absences.....	78
Bond Discounts, Issuance Cost, and Refunding Gains and Losses.....	79
Fund Balance.....	79
Net Position	79

NOTE II-DETAIL NOTES ON ALL FUNDS

Deposits and Investments	80
Pension Funds.....	80
Investments	86
Accounts Receivable	87
Unbilled Utility Service.....	87
Property Tax Calendar and Revenue Recognition	87
Accounts Receivable	87
Lease Receivable.....	88
Unavailable Revenue/Unearned Revenue.....	90
Capital Assets.....	92
Interfund Receivables, Payables, and Transfers	95
Long Term Debt	97
Individual Bond Issues and Notes Payable	97
Changes in Long Term Debt.....	100
Summary of Debt Service Requirements to Maturity	101
Debt Restriction	102

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Reserves for Pledged Revenue Coverage	102
Direct Borrowings, Direct Placements and Lines of Credit	104
Lease Payable.....	104
Subscription-Based Information Technology Arrangements Payable.....	105
Florida Ports Finance Commission Agreement.....	106
Fund Balance Disclosure	108

NOTE III-OTHER INFORMATION

Risk Management	117
Pension Plans	119
Pension Plan Financial Statements	119
Pension Plan Descriptions.....	121
Pension Plan Investments.....	125
Pension Plan Receivables.....	125
Pension Plan Allocated Insurance Contract.....	125
Pension Plan Reserves	126
Pension Plan Deferred Retirement Option Program	126
Net Pension Liability	126
Pension Expense and Deferred/Inflows Outflows of Resources related to Pension.....	127
Payable to Pension Plan.....	132
Postemployment Benefits Other than Pensions (OPEB)	133
OPEB General Information about the Plan	133
Total OPEB Liability	134
Changes to Total OPEB Liability	135
OPEB Expense and Deferred/Inflows Outflows of Resources related to OPEB.....	136
Deferred Compensation/Replacement Benefit Program	137
Termination Benefits	138
Litigation	138
Grant Contingencies	138
Contractual, Construction, and Equipment Commitments	139
Tax Abatements.....	139
Change in Accounting Principle	140
Other Significant Commitments	140
Special Items.....	143

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Pensacola (the “City”) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. Statements and Interpretations of the GASB have been applied in the preparation of these financial statements.

A. Reporting Entity

The City operates under a Mayor-Council structure commonly referred to as a “Strong Mayor” form of government. With the Mayor-Council structure, the Council is the governing body of the City with all legislative powers of the City vested therein, which consisted of seven (7) Council Members, one (1) elected from each of the seven (7) election districts of the City. The Mayor is not a member of Council and does not have voting power. The Mayor is elected at large, has a 4-year term in office, will exercise the executive powers of the City, and shall not be a member of Council. The Mayor’s term allows for a maximum of three consecutive four-year terms of office. With the Mayor-Council structure, the Mayor replaces the City Manager as the executive head of the City and shall appoint a City Administrator to assist in managing daily operations.

In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may or may not be financially accountable and, as such, be includable within the City’s financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to impose a specific financial benefit or burden to the City. Additionally, the primary government is required to consider other organizations for which exclusion of the nature and significance of their relationship with the City would cause the reporting entity’s financial statements to be misleading or incomplete.

The accompanying financial statements represent the City and its component units and entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City’s operation. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Unit

Community Redevelopment Agency (CRA) - On September 25, 1980, the Pensacola City Council declared itself the CRA pursuant to the provisions of Chapter 163, Part III, Florida Statutes. This action, adopted by Resolution Number 55-80, also outlined the rights, powers, duties, privileges, and immunities invested in the seven-member City Council, acting as the CRA. The City Council selects a chair and a vice-chair from the seven members of the CRA and approves the annual operating budget.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The CRA is considered a blended component unit since the CRA and City have the same governing body and management of the primary government has operational responsibility for the CRA. The CRA is reported as a special revenue fund of the City.

Florida Statute Section 163.387(8) requires an independent audit of the CRA each fiscal year. Audited financial statements of the CRA can be obtained by contacting the City's financial services department: City of Pensacola, 222 West Main Street, Pensacola, FL 32502.

Discretely Presented Component Unit

The component unit column in the combined financial statements includes the financial data of the City's discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City. The accounting policies of this discretely presented component unit are the same as those detailed for the City. The City's only discretely presented component unit is the Downtown Improvement Board.

Downtown Improvement Board (DIB) - The DIB was created in April 1972 by Chapter 72-655, Laws of Florida. The DIB is considered a component unit since the Mayor of the City appoints and the Council approves the five-member board. In addition, the City Council approves the budget of the Board, including the proposed millage rate. Audited financial statements of the DIB can be obtained from their administrative office: Downtown Improvement Board, Post Office Box 653, Pensacola, Florida 32593.

Joint Ventures Excluded from the Reporting Entity

The following joint ventures do not meet the criteria for inclusion in the City's financial statements since no financial benefit or burden exists, nor can the City impose its will on the entities.

Escambia - Pensacola Human Relations Commission (HRC) - Created by an interlocal agreement between the Escambia County Board of County Commissioners and the Pensacola City Council in 1974, pursuant to Florida Statutes, for the purpose of promoting fair treatment and equal opportunity to all citizens of the community. On March 7, 2019, the Escambia Board of County Commissioners passed an Ordinance to cease operations and reestablish the Human Relations Commission with a new board. The new Commission is composed of nine members: five selected by the Escambia County Board of County Commissioners and four selected by the City Council. The City does not control the financial operations of the Commission.

Complete financial statements of HRC can be obtained from their administrative office: Escambia Pensacola Human Relations Commission, 150 West Maxwell St., Pensacola, Florida, 32501.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary financial statements including fiduciary funds of these entities are as follows:

**HRC
Statement of Net Position
September 30, 2024
(Audited)**

Assets	\$ <u>35,339</u>
Liabilities	<u>3,298</u>
Net Position:	
Unrestricted	<u>32,041</u>
Total Net Position	<u>32,041</u>
Total Liabilities and Net Position	\$ <u><u>35,339</u></u>

**HRC
Statement of Revenues, Expenses
and Changes in Net Position
for the Fiscal Year Ended September 30, 2024
(Audited)**

Revenue	\$ 252,124
Expenses	<u>244,683</u>
Excess of revenue over (under) expenses	<u>7,441</u>
Net position Beginning of Year	17,722
Prior year adjustment	<u>6,878</u>
Net position Beginning of Year, Restated	<u>24,600</u>
Net position at End of Year	\$ <u><u>32,041</u></u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensacola - Escambia County Promotion and Development Commission (PEDC) - Created in 1967 by Chapter 67-1365, Laws of Florida, amended in 1989 by House Bill 984, for the purpose of promoting and developing tourism and industry in Escambia County and in the City of Pensacola. The nine-member board consists of representatives from the Escambia County Board of County Commissioners, the City of Pensacola City Council, the Town of Century, and the Greater Pensacola Chamber. Escambia County and the City of Pensacola each contribute to the operation and maintenance of the PEDC, but neither has control over the financial operations of the PEDC nor can it impose its will.

Complete financial statements of PEDC can be obtained from their administrative office: Pensacola - Escambia County Promotion and Development Commission, 3 West Garden Street, Ste 618, Pensacola, Florida, 32502.

Summary financial statements including fiduciary funds of these entities are as follows:

PEDC	
Statement of Net Position	
September 30, 2024	
(Audited)	
Assets	\$ <u>17,504,037</u>
Liabilities	<u>10,457,521</u>
Deferred inflows of resources	<u>2,001,044</u>
Net Position:	
Restricted	61,198
Unrestricted	<u>4,984,274</u>
Total Net Position	<u>5,045,472</u>
Total Liabilities and Net Position	\$ <u>17,504,037</u>

PEDC
Statement of Revenues, Expenses
and Changes in Net Position
for the Fiscal Year Ended September 30, 2024
(Audited)

Revenue	\$ 1,881,654
Expenses	<u>1,658,379</u>
Excess of revenue over (under) expenses	<u>223,275</u>
Net position Beginning of Year	<u>4,822,197</u>
Net position at End of Year	\$ <u>5,045,472</u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The City's fiduciary funds are not presented in the government-wide financial statements since by definition, the assets cannot be used to address activities or obligations of the City (i.e., the assets are being held for the benefit of pension participants). The purpose of the government-wide financial statements is to provide a consolidated financial picture of all City activities. The internal service funds provide services to departments throughout the City; therefore, their direct expenses are eliminated functionally on the government-wide financial statements with the exception of internal payments that qualify as interfund services provided and used. Governmental activities, supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges to customers for support. Likewise, the primary government is reported separately from the discretely presented component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. The purpose of categorizing direct expenses according to function and revenues according to program is to provide an analysis of activities that are revenue sufficient and those that use the support of general revenues. Direct expenses are those expenses that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Individual fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All other funds (nonmajor) are combined according to their category, governmental or business-type, and are reported in a single column. Combining statements for nonmajor funds are found in the Combining Financial Statements section.

C. Basis of Accounting, Measurement Focus and Financial Presentation

The basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, public service taxes, communication service tax, local business tax, local option gasoline tax, local option sales tax, lease revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

General Fund - used to account for all financial resources except those required to be accounted for in another fund. All general property taxes, fines, property rentals and certain intergovernmental revenues are recorded in this fund. Typical expenditures are for administration, planning, parks and recreation, public works, and public safety.

Housing Assistance Payments - a special revenue fund that accounts for the proceeds awarded from federal and state agencies that are legally restricted to expenditures for specific purposes.

Community Maritime Park Management - a special revenue fund to account for revenues and expenditures related to Community Maritime Park.

Local Option Sales Tax - a capital projects fund that accounts for the local option infrastructure sales surtax (pursuant to Florida Statutes 212.055) to provide for the construction of various infrastructure improvements including park and recreation improvements, street resurfacing and reconstruction, and payment of associated debt.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major proprietary funds:

Utility Fund – accounts for the assets, operation, and maintenance of the City-owned natural gas service.

Sanitation Fund – accounts for the assets, operation, and maintenance of the City-owned garbage and trash services.

Port Fund – accounts for the assets, operation, and maintenance of the City-owned port facility.

Airport Fund – accounts for the assets, operation, and maintenance of the City-owned airport.

Additionally, the government reports the following fund types:

Internal Service Funds (ISF) account for services provided to various City departments on a cost reimbursement basis. The services provided include a central warehouse inventory, fleet maintenance, engineering, management information services, and a risk management (insurance) program. ISFs are reported as a governmental activity within the government-wide financial statements. Individual fund statements are provided in the Combining Financial Statements section.

Fiduciary Funds are trust funds that account for assets held by the City in a trustee capacity for individuals, other governmental units, and/or other funds and include the City's General, Firemen's, and Police Officers' pension funds. Fiduciary funds are not included in government-wide financial statements, however, a statement of net position and a statement of changes in net position are included as part of the basic financial statements with individual fund statements presented in the Combining Financial Statements section.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, and fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Those revenues not clearly defined as program revenues are categorized as general revenue. General revenues include resources such as taxes, franchise fees, interest, and sale of assets. As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Cash Equivalents/Investments

The City of Pensacola has defined *cash and cash equivalents* as cash held at a depository and cash on hand for operating purposes and those investments which are short term and highly liquid. Generally, those investments have original maturities of three (3) months or less. Cash equivalents normally consist of treasury bills, certificates of deposit, and money market funds.

All monies, which are not legally restricted to separate administration, are pooled together for investment purposes while each individual fund and/or account is maintained on a daily transaction basis. Investment earnings are distributed in accordance with the participating funds' relative equity.

2. Investments

All investments held by the City of Pensacola, including defined benefit pension plans and debt securities are reported at fair value.

The City is part of the Florida Cooperative Liquid Assets Securities System (FLCLASS), which is an independent local government investment pool authorized by Florida Statutes Section 218.415 and was created by an interlocal agreement by and among state public agencies (the Interlocal) as described in Florida Statutes Section 163.01, as amended. The investment pool is governed by a Board of Trustees and operates similarly to a registered money market fund with the objective of maintaining a net asset value (NAV) of \$1.00 per share. The City's portion of the investment pool was \$60,000,000 at the end of September 30, 2024.

3. Interfund Receivables/Payables

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected as "due to/from other funds" for the current portion of the receivable/payable or as "advance to/from other funds" for the noncurrent portion of the receivable/payable. Government-wide financial statements eliminate transactions occurring within like-kind activities (i.e., governmental to governmental or business-type to business-type). The residual balance between activities is reported in the government-wide financial statements as "internal balances". Fund financial statements present the entire transaction on the balance sheet as "due to/from other funds" and/or "advance to/from other funds".

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Inventories

Inventories included in the internal service fund's General Stock Fund consist primarily of utility stores, automotive supplies, and fuel for purchase by City departments. Inventories included in the Golf Fund consist of inventories held for resale to the public. All inventories are accounted for by the consumption method and are valued at cost, which approximates the market, using the first in, first out method. Appropriate allowances have been made for obsolete and surplus items.

5. Prepaid Insurance

The City of Pensacola accounts for property insurance premiums using the consumption method. Property insurance premiums for both governmental and enterprise funds are paid quarterly, with a term year beginning May 1st resulting in a prepaid insurance premium for the month of October.

6. Restricted Assets

Certain assets of both governmental and business-type activities are restricted by specific provisions of bond resolutions, grant agreements, agreements with outside parties or restricted by City Council or management for a specific purpose. Assets such as these are restricted since their use is limited.

7. Capital Assets

Capital assets, which include land, buildings, equipment, improvements other than buildings, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, works of art and similar items, and capital assets received in service concession arrangements are reported at acquisition value as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The City does not capitalize interest on borrowings used to finance the construction of general capital assets. Interest on capital assets is capitalized for proprietary funds; however, when the expense during construction is netted against the related income, the resulting amount is typically immaterial.

The Utility Fund reports intangible assets on the face of the financial statements of \$27,152 and \$49,350. The intangible asset is recorded as the excess of the purchase price over the fair market value of assets acquired and is amortized on a straight-line basis over an estimated useful life of forty years and ten years respectively.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	15 - 50 years
Improvements other than buildings	15 - 50 years
Infrastructure	15 - 50 years
Machinery and equipment	3 - 10 years
Utility lines and extensions	40 - 50 years
Vehicles and heavy equipment	5 - 25 years

8. Leases

The City of Pensacola is a lessee for noncancellable leases of land and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and proprietary lease fund financial statements.

At the commencement of the lease, the City initially measures the lease liability at the present value of the payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

The City uses the interest rate charged by the lessor as the discount rate or its incremental borrowing rate as the discount rate for the leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the City will reasonably be certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The City monitors changes in the circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Intangible right-to-use assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Payments due under the lease contracts include fixed payments. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Amounts expected to be payable by the City under residual value guarantees.
- The exercise price of a purchase option if it is reasonably certain the option will be executed.
- Payments of penalties for terminating the lease, if the lease term reflects the City exercising that option.

The City is a lessor for noncancellable leases of land and buildings. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund, and governmental fund financial statements.

At the commencement of the lease, the City initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow is recognized as revenue over the term of the lease.

The City uses its incremental borrowing rate as the discount rate for the leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are comprised of the following:

- Fixed payments (including in-substance fixed payments), plus variable payments from the lessee. For land and building leases that include variable payments, those payments include common area maintenance.
- Residual value guarantee payments that are fixed in substance.
- Any lease incentives.

Variable payments that depend on an index or a rate such as the Consumer Price Index or a market rate interest rate are initially measured using the index or market rate at the commencement of the lease.

The City monitors changes in circumstances that would require a remeasurement of the lease receivable a deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

9. Subscription-Based Information Technology Arrangements (SBITAs)

The City of Pensacola has several agreements which convey control of the right to use another party's IT software. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide and proprietary fund financial statements.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

At the commencement of the agreement, the City initially measures the subscription liability at the present value of the payments expected to be made during the agreement term. Subsequently, the subscription liability is reduced by the principal portion of the payments made.

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the SBITA commencement date. Subsequently, the subscription asset is amortized on a straight-line basis over the term of the agreement.

The City uses the interest rate charged by the vendor as the discount rate or its incremental borrowing rate as the discount rate for the SBITAs.

The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are comprised of fixed payments. In determining the subscription term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the subscription term if the SBITA is reasonably certain to be extended.

Payments due under the SBITA contracts include fixed payments. Assets and liabilities arising from a SBITA are initially measured on a present-value basis.

10. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category.

One is the deferred loss on early retirement reported in the proprietary statement of net position as well as the government-wide statement of net position. A deferred loss on early retirement results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is deferred charge on pension and Other Postemployment Benefits (OPEB) contributions made by the employer after the measurement date and changes in benefits, assumptions, and differences between actual and expected returns.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three items that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet.

The governmental funds report unavailable revenues from sources such as special assessments, lease receivables, and note receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The second is a deferred gain on early retirement reported in the proprietary statement of net position as well as the government-wide statement of net position. A deferred gain on early retirement results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third is deferred pension and/or OPEB as well as pension and/or OPEB expenses as a result of changes in benefits, assumptions, and differences between actual and expected returns.

11. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position of the City's pension plans and additions to/deductions from these plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

12. Compensated Absences

It is the policy of the City to permit general employees to accumulate up to 500 hours of earned but unused leave benefits (Paid Time Off - PTO). Senior Executive Services (SES) employees may accumulate up to 600 hours of PTO plus 250 hours of retention leave. Fire employees may accumulate up to 720 hours of PTO.

Police sergeants, lieutenants, and captains may accumulate up to 500 hours PTO and police officers may accumulate up to 900 hours PTO. Employees who separate service in good standing can be paid the balance of their accrued PTO.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unpaid compensated absences are recorded as a liability when the benefits are earned in both the government-wide financial statements and proprietary fund financial statements. Governmental funds within the fund financial statements are not required to record a liability of accumulated amounts of unused leave benefits unless the payments are current liabilities and will be made in the following year.

13. Bond Discounts, Issuance Cost, and Refunding Gains and Losses

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position.

Capital appreciation bonds are reported at their accreted value which is computed at the end of each fiscal year. Bond premiums and discounts, as well as prepaid insurance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed when paid. Bonds payable are reported net of the applicable bond premium or discount. Bond refunding gains and losses are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method. Bond refunding gains are presented as deferred inflows of resources while losses are presented as deferred outflows of resources.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs (whether or not withheld from the actual debt proceeds received), during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

14. Fund Balance

GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned. Each classification reflects the nature and extent to which a restriction is placed upon fund balance.

15. Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset-related debt.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Net Position are liquid assets (generated from revenues and net bond proceeds) which are not accessible for general use because of third-party (statutory, bond covenant or granting agency) limitations.

Unrestricted Net Position represents unrestricted assets.

NOTE II. - DETAIL NOTES ON ALL FUNDS

A. Deposits and Investments

1. Pension Funds

The City's pension funds contain investments in certain bonds that are actually mortgage-backed and asset-backed securities which could be classified as "derivative" investments under GASB Technical Bulletin No. 94-1. These securities are based on cash flows from interest and principal payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result in a decline of interest rates.

The City invests in interest and principal securities (a form of mortgage-backed and asset-backed securities) in part to maximize yields and in part to hedge against a rise in interest rates. These investments are within the investment policy guidelines for the pension funds.

Interest Rate Risk. The City's General, Fire, and Police Pension Plans each have funds invested in bond mutual funds. Each plan has its own investment policy, which restricts the investments that the mutual funds can hold. The policy limits the percentage of plan assets invested in bonds but does not place limits on the length of the maturities.

Credit Risk. The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's General, Fire, and Police Pension Plans investment policies do not address restrictions on the credit risk of investments.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City's retirement plans will not be able to recover the value of their investments that are in the possession of an outside party.

The Retirement Plans' Board of Trustees has contracts with each of their money managers which include a requirement that coverage be provided to protect the City's retirement plans from any losses incurred arising out of the money manager's negligence. Therefore, the City does not have a custodial credit risk.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The General Pension and Retirement investment plan weighted average maturities, amounts and ratings are as follows:

General Pension Investment	Weighted Average Maturity	Amount	Rating
Short term investments	Current	\$ 2,406,134	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	17.28 years	31,245,358	A1 - A3
Corporate Bonds	24.75 years	3,333,217	Aaa
Corporate Bonds	16.84 years	2,002,510	Aa1 - Aa3
Corporate Bonds	5.89 years	8,401,178	Baa1 - Baa3
Corporate Bonds	Unavailable	1,019,090	Rating Unavailable
Convertible Corporate Bonds			
Corporate Bonds	1.62 years	260,401	A1 - A3
Corporate Bonds	2.09 years	21,320	B1 - B3
Corporate Bonds	1.46 years	39,140	Ba1 - Ba3
Corporate Bonds	3.58 years	922,720	Baa1 - Baa3
Corporate Bonds	3.80 years	9,778,220	Rating Unavailable
Stock Mutual Funds	Current	8,665,790	N/A
Mortgage Backed Securities			
Mortgage Backed Securities	10.17 years	1,337,861	Rating Unavailable
Real Estate Investment Trust	Current	4,258,012	N/A
Domestic Stocks	Current	44,963,088	N/A
Commingled Trust Fund	Current	8,422,714	N/A
Preferred Stocks	Current	264,005	N/A
Foreign Stocks	Current	22,539,847	N/A
Total General Pension Investments		<u>\$ 149,880,605</u>	

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The Firefighters' Relief and Pension investment plan weighted average maturities, amounts and ratings are as follows:

Fire Pension	Weighted Average Maturity	Amount	Rating
Short term investments	Current	\$ 3,678,233	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	5.54 years	5,727,603	A1 - A3
Corporate Bonds	5.05 years	11,561,004	Aaa
Corporate Bonds	5.75 years	474,397	Aa1 - Aa3
Corporate Bonds	4.65 years	4,869,894	Baa1 - Baa3
Corporate Bonds	3.73 years	1,852,824	Rating Unavailable
Bond Mutual Funds	Current	540,640	N/A
Convertible Corporate Bonds			
Corporate Bonds	4.14 years	267,759	A1 - A3
Corporate Bonds	2.09 years	21,320	B1-B3
Corporate Bonds	1.46 years	43,054	Ba1-Ba3
Corporate Bonds	3.58 years	961,745	Baa1 - Baa3
Corporate Bonds	3.84 years	10,319,456	Rating Unavailable
Stock Mutual Funds	Current	28,647,978	N/A
Mortgage Backed Securities			
Mortgage Backed Securities	17.07 years	9,422,001	Rating Unavailable
Real Estate Investment Trust	Current	4,328,815	N/A
Commingled Trust Fund	Current	8,284,060	N/A
Domestic Stocks	Current	39,628,483	N/A
Preferred Stocks	Current	276,476	N/A
Foreign Stocks	Current	2,735,637	N/A
Total Fire Pension Investments		\$ 133,641,379	

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The Police Officers' Retirement investment plan weighted average maturities, amounts and ratings are as follows:

Police Pension	Weighted Average Maturity	Amount	Rating
Short term investments	Current	\$ 1,944,330	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	5.49 years	6,344,717	A1 - A3
Corporate Bonds	7.18 years	3,337,918	Aaa
Corporate Bonds	4.29 years	6,368,847	Baa1-Baa3
Corporate Bonds	8.09 years	1,051,180	Rating Unavailable
Bond Mutual Funds	Current	1,812,670	Rating Unavailable
Mortgage Backed Securities			
Mortgage Backed Securities	13.62 years	10,798,775	Rating Unavailable
Real Estate Investment Trust	Current	68,171,281	N/A
Domestic Stocks	Current	23,380,035	N/A
Foreign Stocks	Current	12,115,257	N/A
Total Police Pension Investments		<u>\$ 135,325,010</u>	

The gross unrealized gains and losses for the marketable equity securities in the pension funds for the fiscal year ended were as follows:

	General Pension and Retirement Fund	Firefighters' Relief and Pension Fund	Police Officers' Retirement Fund	Totals
Unrealized Gains	\$ 31,430,191	\$ 27,660,044	\$ 27,371,005	\$ 86,461,240
Unrealized Losses	<u>(15,880,660)</u>	<u>(13,102,998)</u>	<u>(17,262,531)</u>	<u>(46,246,188)</u>
Net Unrealized Gains/(Loss)	<u>\$ 15,549,532</u>	<u>\$ 14,557,046</u>	<u>\$ 10,108,474</u>	<u>\$ 40,215,052</u>

The average cost method is used in computing realized gains and losses on the sale of marketable equity securities.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of September 30, 2024:

<u>General Pension Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>9/30/2024</u>
Investments by Fair Value Level				
Short Term Investments	\$ 2,406,134	\$	\$	2,406,134
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		46,001,353		46,001,353
Total Debt Securities & Bond Mutual Funds	<u>2,406,134</u>	<u>46,001,353</u>	<u>-</u>	<u>46,001,353</u>
Convertible Corporate Bonds		11,021,801		11,021,801
Stock Mutual Funds	8,665,790			8,665,790
Mortgage Backed Securities:				
Mortgage Backed Securities		1,337,861		1,337,861
Real Estate Investment Trust			4,258,012	4,258,012
Total Mortgage Baked Securities	<u>-</u>	<u>1,337,861</u>	<u>4,258,012</u>	<u>5,595,873</u>
Domestic Stocks	44,963,088			44,963,088
Commingled Trust Fund	8,422,714			8,422,714
Preferred Stocks	264,005			264,005
Foreign Stocks	22,539,847			22,539,847
Total Investments measured at fair value	\$ <u>89,667,712</u>	\$ <u>58,361,015</u>	\$ <u>4,258,012</u>	\$ <u>149,880,605</u>

Short term investments, debt securities, stock mutual funds, commingled trust fund, and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities, convertible corporate bonds, and mortgage-backed securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Mortgage-backed securities classified in Level 3 are valued using valuation methodologies including pricing models and discounted cash flow models. Level 3 valuations incorporate subjective judgements and consider assumptions including capitalization rates, discount rates, cash flows and other factors that are not observable in the market.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Fire Pension Investment	Level 1	Level 2	Level 3	9/30/2024
Investments by Fair Value Level				
Short Term Investments	\$ 3,678,233	\$	\$	3,678,233
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		24,485,722		24,485,722
Bond Mutual Funds	540,640			540,640
Total Debt Securities & Bond Mutual Funds	<u>540,640</u>	<u>24,485,722</u>	<u>-</u>	<u>25,026,362</u>
Convertible Corporate Bonds		11,613,334		11,613,334
Stock Mutual Funds		14,973,993	13,673,985	28,647,978
Mortgage Backed Securities:				
Mortgage Backed Securities		9,422,001		9,422,001
Real Estate Investment Trust			4,328,815	4,328,815
Total Mortgage Baked Securities	<u>-</u>	<u>9,422,001</u>	<u>4,328,815</u>	<u>13,750,816</u>
Domestic Stocks	39,628,483			39,628,483
Commingled Trust Fund	8,284,060			8,284,060
Preferred Stocks	276,476			276,476
Foreign Stocks	2,735,637			2,735,637
Total Investments measured at fair value	<u>\$ 55,143,529</u>	<u>\$ 60,495,050</u>	<u>\$ 4,328,815</u>	<u>\$ 133,641,379</u>

Short term investments, bond mutual funds, debt securities, commingled trust fund, and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities, convertible corporate bonds, and mortgage-backed securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Mutual funds and mortgage-backed classified in Level 3 are valued using valuation methodologies including pricing models and discounted cash flow models. Level 3 valuations incorporate subjective judgements and consider assumptions including capitalization rates, discount rates, cash flows and other factors that are not observable in the market.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Police Pension Investment	Level 1	Level 2	Level 3	9/30/2024
Investments by Fair Value Level				
Short Term Investments	\$ 1,944,330	\$	\$	\$ 1,944,330
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		17,102,662		17,102,662
Bond Mutual Funds			1,812,670	1,812,670
Total Debt Securities & Bond Mutual Funds	-	17,102,662	1,812,670	18,915,332
Mortgage Backed Securities:				
Mortgage Backed Securities		10,798,775		10,798,775
Total Mortgage Baked Securities	-	10,798,775	-	10,798,775
Domestic Stocks	68,171,281			68,171,281
Commingled Trust Fund	23,380,035			23,380,035
Foreign Stocks	12,115,257			12,115,257
Total Investments by Fair Value	\$ 105,610,903	\$ 27,901,437	\$ 1,812,670	\$ 135,325,010

Short term investments, debt securities and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and mortgage-backed securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Bond Mutual Funds and mortgage-backed securities classified in Level 3 are valued using valuation methodologies including pricing models and discounted cash flow models. Level 3 valuations incorporate subjective judgements and consider assumptions including capitalization rates, discount rates, cash flows and other factors that are not observable in the market.

2. Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets.

The City's investments of \$90,000,000 are in certificates of deposits with maturities that range from November 2024 to April 2025 and have a weighted average maturity of one year. In addition to certificates of deposits, the City has \$60,000,000 invested in the FLCLASS investment pool. These investments are not subject to level disclosure in the fair value hierarchy.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

B. Accounts Receivable

1. Unbilled Utility Services

All utility billing is performed on a cyclical basis which gives rise to unbilled gas services at the end of any given period. The City has recorded estimated accounts receivable and the related revenues based on the number of days of unbilled services for each cycle as of the end of the fiscal year.

2. Property Tax Calendar and Revenue Recognition

Escambia County Constitutional Officers perform all appraisals, assessments, and collections of City property taxes as an agent for the City of Pensacola. Property valuations are determined each year as of January 1. All property taxes are levied and become due and payable on November 1. The collection period is from November 1 through March 31, with discounts allowed of 4, 3, 2, and 1 percent for early payment in November through February, respectively. All taxes become delinquent on April 1 in the year following assessment, and tax certificates are sold on all real property with unpaid taxes as of June 1. Property tax revenue recognition occurs during the fiscal year of levy (the year the property tax revenue was intended to finance).

As of November 2001, the City of Pensacola assessed a stormwater fee to provide additional revenue for stormwater management improvements. The fee is billed annually by the Escambia County Property Tax Collector on the November property tax roll with the exception of government-owned property which is billed directly by the City. The stormwater fee is subject to the same collection laws, discounts, and penalties as property taxes. Stormwater revenues are recognized during the fiscal year in which it is billed.

3. Accounts Receivable

Account receivables are shown net of allowances for doubtful accounts as follows:

	Accounts		
	Receivable	Allowance	Net
Governmental activities:			
General Fund	\$ 1,558,135	\$	\$ 1,558,135
Housing Assistance Payments Fund	1,415,190	1,320,297	94,893
Community Maritime Park Management Fund	378,048		378,048
Nonmajor Governmental Funds	346,327	8,624	337,703
Internal Service Fund	255,342		255,342
Total governmental activities	<u>\$ 3,953,042</u>	<u>\$ 1,328,921</u>	<u>\$ 2,624,121</u>
Business-type activities:			
Utility Fund	\$ 3,644,615	\$ 216,508	\$ 3,428,107
Sanitation Fund	500,619	66,177	434,442
Port Fund	368,724	4,129	364,595
Airport Fund	7,045,216		7,045,216
Total business-type activities	<u>\$ 11,559,174</u>	<u>\$ 286,814</u>	<u>\$ 11,272,360</u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The Airport Fund receivables include \$3,792,881 due from Triumph related to the expenses incurred for the VT Aerospace project.

4. Lease Receivables

The City leases land and building space to third parties. As of September 30, 2024, The City's leases receivables were valued at \$46,297,266 and the deferred inflow of resources associated with the leases that will be recognized as revenue over the term of the leases were \$44,629,106. The lease receivables for Governmental and Business-type Activities at September 30, 2024 were as follows:

Governmental Activities

Land leases – annual lease payments totaling \$125,402 plus interest at a rate of 3%, due dates ranging from August 2027 to April 2147.	\$18,281,843
---	--------------

Building and office space leases – annual lease payments totaling \$178,798 plus interest at a rate of 3%, due dates ranging from March 2025 to December 2071.	<u>1,351,308</u>
--	------------------

Total Governmental Activities Lease Receivables	<u>\$19,633,151</u>
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Business-type Activities

Land leases – annual lease payments totaling \$797,158 plus interest at a rate of 3%, due dates ranging from December 2025 to August 2118.	\$19,781,607
--	--------------

Building and office space leases – annual lease payments totaling \$1,038,522 plus interest at a rate of 3%, due dates ranging from December 2024 to July 2038.	<u>6,882,507</u>
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Total Business-type Activities Lease Receivables	<u>\$ 26,664,115</u>
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CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The payments for the lease receivables are expected to be received in the subsequent years as follows:

<u>Fiscal Year</u>	Governmental Activities		Business-type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 136,752	\$ 593,231	\$ 1,436,828	\$ 779,795
2026	81,222	594,809	1,399,453	737,569
2027	84,393	595,010	1,375,696	696,815
2028	90,518	596,708	1,398,432	657,884
2029	95,082	595,075	1,318,070	615,282
2030-2034	593,019	2,968,347	4,948,545	2,599,816
2035-2039	420,074	2,954,079	3,406,779	2,029,292
2040-2044	395,015	2,959,979	4,159,384	1,490,067
2045-2049	464,386	2,950,182	3,852,081	829,766
2050-2054	532,293	2,924,121	389,252	566,476
2055-2059	679,416	2,872,891	452,214	492,869
2060-2064	853,503	2,787,104	359,397	411,147
2065-2069	987,879	2,655,286	-	377,079
2070-2074	28,355	2,576,638	-	360,429
2075-2079	33,308	2,544,153	-	341,087
2080-2084	37,488	2,485,065	126,356	318,789
2085-2089	36,947	2,390,347	187,129	292,506
2090-2094	130,180	2,257,003	217,385	262,178
2095-2099	847,018	2,075,468	252,533	226,946
2100-2104	1,802,677	1,836,226	293,399	185,983
2105-2109	2,296,779	1,528,903	340,841	138,428
2110-2114	2,829,828	1,140,938	395,955	83,182
2115-2119	2,667,914	731,525	354,387	20,832
2120-2124	3,274,599	285,914	-	-
2125-2129	122,793	25,407	-	-
2130-2134	111,712	6,339	-	-
	<u>\$19,633,151</u>	<u>\$ 45,930,747</u>	<u>\$ 26,664,115</u>	<u>\$ 14,514,215</u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The City has leasing agreements with several air carriers that are regulated by the Federal Aviation Administration, and as such qualify to be treated as a regulated lease in accordance with GASB 87. The leases with the air carriers have specific requirements that are subject to external laws and regulations mandated by Federal Aviation Administration. The City leases land and building space to third parties under these agreements. The building leases expired on September 30, 2022. The expired leases continue under a hold over provision until such time that a new lease is negotiated. The hold over provision allows the City to terminate the lease at any time. Revenues collected under the building leases for fiscal year 2024 totaled \$7,362,757. Due to the current hold over provision, expected future minimum lease payments are not included in the schedule below. The land lease range is 30 years with annual lease payments totaling \$4,610. As of September 30, 2024, the remaining nominal amount of the revenue that will be recognized as revenue over the lease term associated with these leases amount to \$31, 341 which is expected to be received for each of the subsequent five years and in five-year increments thereafter as stated below:

<u>Fiscal Year</u>		<u>Business-Type Activities</u>
2025	\$	2,915
2026		2,915
2027		2,915
2028		2,915
2029		2,915
2030-2034		14,577
2035-2039		2,187
Total	\$	31,341

5. Unavailable/Unearned Revenue

Governmental funds report a deferred inflow of resources in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not-yet earned. Amounts that are “unavailable” are not reported as a deferred inflow of resources in entity-wide statements. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	<u>Unavailable</u>	<u>Unearned</u>
General Fund		
Leases – Land/ROW receivables	\$ 37,119	\$
Telecommunicator - 911 Call Takers	18,674	
Prepaid lease payments		187,207
Occupational license fees and fines received for subsequent year		594,732
Special Revenue Funds		
HUD - Fraud Recovery	94,892	356
Community Redevelopment Agency - Lease receivables	5,136	
CDBG - Housing Rehab Project notes receivable	228,670	
Code Enforcement - Lot Cleaning	26,835	
Golf Course- Lease receivables	1,500	
Parks Recreation - Lease receivables	2,100	
Tennis Center- Lease receivables	10,737	
Build America Bonds subsidy		
CMP - Use Fee		43,750
CMP - Leases		15,326
American Rescue Act Funding		6,727,863
Home Reconstruction Loans	460,507	
Grant request and draws prior to meeting all requirements		135,171
	<u>\$ 886,170</u>	<u>\$ 7,704,405</u>

The American Rescue Plan grant does not require the City to hold unspent funds in a separate bank account. The unspent monies are not earned so it is not a component of net position at the fund or government-wide level. Since the terms of the grant require the funds to be expended within a set number of years and unspent funds are not considered restricted assets of the government unit, the City does not consider presentation of the unspent monies as restricted assets necessary as of September 30, 2024.

The Airport Fund includes \$33,377,439 in unearned revenue related to an advance on project funding as required by the “Project Development Agreement” which includes \$24,509,419 from VTMAE and \$8,868,020 from Escambia County. This agreement stipulates the timing and use of the funding for the development of a commercial aircraft maintenance, repair, and overhaul (“MRO”) campus at Pensacola International Airport. VTMAE will provide a total of \$35,000,000 towards the estimated \$210,125,000 project as further disclosed in Note IV. H. The unspent funds are not considered earned until funds are expended and therefore are not a component of the Airport's net position.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for governmental activities for the fiscal year ended September 30, 2024 were as follows:

	Beginning Balance		Increases		Decreases		Ending Balance
Governmental activities:							
Non-depreciable Assets:							
Land	\$ 21,740,454	\$	948,870	\$	-	\$	22,689,324
Construction in Progress	15,793,738		12,134,371		(14,532,324)		13,395,785
Total Non-depreciable assets	<u>37,534,192</u>		<u>13,083,241</u>		<u>(14,532,324)</u>		<u>36,085,109</u>
Depreciable Assets:							
Buildings	136,474,080		1,030,285		(789,988)		136,714,377
Improvements	62,848,291		12,091,576		(453,201)		74,486,666
Infrastructure	164,452,012		1,269,235		-		165,721,247
Equipment	64,037,821		4,322,550		(1,197,835)		67,162,536
Right-to-use lease equipment	305,697		-		-		305,697
Right-to-use SBITA	146,078		1,302,032		-		1,448,110
Total Depreciable assets	<u>428,263,979</u>		<u>20,015,678</u>		<u>(2,441,024)</u>		<u>445,838,633</u>
Less accumulated depreciation for:							
Buildings	47,498,782		3,341,829		(736,428)		50,104,183
Improvements	33,356,362		2,301,221		(427,934)		35,229,649
Infrastructure	72,197,744		6,940,771		-		79,138,515
Equipment	43,359,403		4,706,451		(1,073,432)		46,992,422
Right-to-use lease equipment	145,893		65,688		-		211,581
Right-to-use SBITA	3,516		374,201		-		377,717
Total accumulated depreciation	<u>196,561,700</u>		<u>17,730,161</u>		<u>(2,237,794)</u>		<u>212,054,067</u>
Total depreciable assets net of depreciation	<u>231,702,279</u>		<u>2,285,517</u>		<u>(203,230)</u>		<u>233,784,566</u>
Governmental activities net capital assets	\$ <u>269,236,471</u>	\$	<u>15,368,758</u>	\$	<u>(14,735,554)</u>	\$	<u>269,869,675</u>

The preceding schedule includes capital assets and accumulated depreciation for both governmental funds and the internal services funds. Per GASB 34 requirements, the internal service funds are reported on the entity-wide statements as a governmental activity. In fiscal year 2024, the net book value of assets held by Internal Service Funds is \$3,609,466 which included the addition of SBITA's \$1,302,032. Total depreciation and amortization expense for governmental activities for fiscal year 2024 is \$16,730,619 and \$439,889, respectively. The difference between the fiscal year 2024 depreciation and amortization expense, \$17,170,508, and the increase to accumulated depreciation, \$17,730,161 is \$559,653 which is a result of capital assets transferred a business-type activity a governmental activity.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Capital asset activity for business-type activities for the fiscal year ended September 30, 2024 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type activities:</u>				
Non-Depreciable Assets:				
Land	\$ 38,397,584	\$ 194,400	\$ -	\$ 38,591,984
Construction in Progress	4,197,887	16,713,434	(4,460,416)	16,450,905
Total Non-depreciable assets	<u>42,595,471</u>	<u>16,907,834</u>	<u>(4,460,416)</u>	<u>55,042,889</u>
Depreciable Assets:				
Buildings	249,394,174	1,706,534	(870,408)	250,230,300
Improvements	252,903,455	5,070,987	(378,829)	257,595,613
Equipment	50,383,219	4,587,973	(1,947,370)	53,023,823
Right to-use lease land	298,819	7,888	-	306,707
Right to-use SBITA	300,855	-	-	300,855
Total Depreciable assets	<u>553,280,522</u>	<u>11,373,382</u>	<u>(3,196,607)</u>	<u>561,457,297</u>
Less accumulated depreciation for:				
Building	111,221,995	8,176,663	(870,408)	118,528,249
Improvements	128,017,859	7,916,387	(378,126)	135,556,119
Equipment	32,213,245	3,605,732	(1,892,566)	33,926,411
Right to-use lease land	43,759	15,878	-	59,637
Right to-use SBITA	203,448	97,407	-	300,855
Total accumulated depreciation	<u>271,700,306</u>	<u>19,812,067</u>	<u>(3,141,100)</u>	<u>288,371,271</u>
Total depreciable assets net of depreciation	<u>281,580,216</u>	<u>(8,438,685)</u>	<u>(55,507)</u>	<u>273,086,026</u>
Business-type activities net capital assets	\$ <u>324,175,687</u>	\$ <u>8,469,149</u>	\$ <u>(4,515,923)</u>	\$ <u>328,128,915</u>

Total depreciation and amortization expense for business-type activities for fiscal year 2024 is \$19,812,067.

There are two intangible assets reported in the Utility Fund representing the excess of the purchase price paid over the fair market value of assets acquired. In September 1989, the City purchased the Escambia County Utilities Authority's Timberland Natural Gas Distribution and recorded goodwill of \$131,646. The intangible asset is amortized on a straight-line basis over an estimated useful life of forty years. In October 2021, the City purchased a portion of Okaloosa Gas District service area and recorded goodwill of \$82,250. The intangible asset is amortized on a straight-line basis over an estimated useful life of ten years.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General Government	\$ 667,715
Public Safety	2,667,830
Physical Environment	1,972,512
Transportation	3,817,351
Economic Environment	53,631
Culture and Recreation	5,634,153
Unallocated Infrastructure	1,623,009
Capital assets held by governmental type internal service funds are charged to the various functions based on their usage	734,307

Total depreciation expense-governmental activities	\$ <u>17,170,508</u>
---	-----------------------------

Infrastructure reported per requirement of GASB 34 is presented as a separate line item instead of a specific function/program.

Business-type activities:

Gas	\$ 3,284,528
Sanitation	702,243
Port	1,143,058
Airport	<u>14,682,238</u>

Total depreciation expense- business-type activities	\$ <u>19,812,067</u>
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The fifteen-year lease agreement for the City owned Amtrak Station expired May 14, 2008. Rail services for the Sunset Limited route which passes through Northwest Florida have been suspended since 2005 as a result of the damages suffered by Hurricane Katrina. The carrying value for the land and building is approximately \$435,965 as reported in the governmental activities.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

Interfund receivables/payables balances as of September 30, 2024, are as follows:

	<u>Due To</u>	<u>Due From</u>	<u>Advance To</u>	<u>Advance From</u>
Governmental activities:				
General Fund	\$	\$ 2,129,787	\$	\$
Housing Assistance Fund	34,792			
CMP Management Services Fund	3,028			
Local Option Sales Tax Fund				
Nonmajor Governmental Funds	1,240,173	103,627		
Internal Service Funds	710,276			
Total Governmental activities	<u>1,988,269</u>	<u>2,233,414</u>	<u>-</u>	<u>-</u>
Business-type activities:				
Utility Fund	337,276	510,000		
Sanitation Fund	119,752			
Port Fund	24,496			
Airport Fund	273,621	-		
Total Business-type activities	<u>755,145</u>	<u>510,000</u>	<u>0</u>	<u>-</u>
Total governmental and business-type activities	<u>\$ 2,743,414</u>	<u>\$ 2,743,414</u>	<u>\$ -</u>	<u>\$ -</u>

Internal balances-current reported in the government-wide statement of net position in the amount of \$245,145 represents the amounts receivable/payable between government and business-type activities for end of year payroll liabilities, risk management claims and inter-fund transfers.

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**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

For the year ended September 30, 2024, interfund transfers are as follows:

Governmental activities:			
<u>Major Governmental Funds</u>	Transfer In	Transfer Out	Purpose
General Fund	\$ 11,137,600	\$ 7,800,143	Transfer from Utility Fund Transfer to CRA, Golf, Eastside TIF, Westside TIF and Stormwater Capital
Local Option Sales Tax Fund (LOST)		223,622	Transfer to Port, Airport, and Inspections
<u>Nonmajor Governmental Funds</u>		1,520,775	Transfer to Local Option Gasoline Tax Debt Service
Local Option Gasoline Tax (LOGT)			
Community Redevelopment Agency (CRA)	3,814,172	3,697,715	Transfer from General Fund Transfer to CRA Debt Service
Golf Course Fund	200,000		Transfer from General Fund
Eastside Tax Increment Financing District	184,136	87,916	City's required contribution Transfer to CRA Debt Service
Inspections Fund	2,655		Transfer from LOST and Internal Service Fund
Westside Tax Increment Financing District	866,836	276,526	City's required contribution Transfer to CRA Debt Service
CRA Debt Service	4,062,157		Transfer from CRA, Eastside TIF and Westside TIF
Local Option Gas Tax Debt Service Fund	1,520,775		Transfer from LOGT
Stormwater Capital Fund	2,735,000		Transfer from General Fund
Internal Service Fund		2,007	Transfer to Inspections
Business-type activities:			
Utility Fund		11,137,600	Transfer to General Fund
Port Fund	42,709		Transfer from LOST
Airport Fund	180,264		Transfer from LOST
Total	\$ 24,746,304	\$ 24,746,304	

Transfers reported in the government-wide statement of activities in the amount of \$10,914,627 represent the net amount of transfers between government and business-type activities. Fund financial statements report transfers without eliminations within same type activity and are reported in the schedule above.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

E. Long-term Debt

Individual Bond Issues and Notes Payable

Below are the City's individual long-term debt issues which were outstanding on September 30, 2024:

Governmental activities:

Nonmajor Funds

\$14,314,000 Local Option Gas Tax Revenue Bond, Series 2016 was issued for the purpose of financing the cost of the acquisition and construction of capital improvements to the road system of the City of Pensacola and the costs of issuance on the borrowing. The bond has a fixed interest rate of 1.83% commencing December 31, 2016, to and including December 31, 2026, payable each December 31 and June 30 of each year. Principal payments commenced on December 31, 2016, payable December 31 of each year. Debt service payments are secured with Local Option Gasoline Tax revenues. Final maturity of principal occurs on December 31, 2026.

\$ 4,483,000

\$1,307,000 Eastside Redevelopment Revenue Bond, Series 2017 was issued for the purpose of financing certain community redevelopment capital improvements in the Eastside Neighborhood Redevelopment Area included in the Eastside Neighborhood Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.33% commencing April 1, 2018, to and including April 1, 2037, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2018, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Eastside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax. Final maturity of principal occurs on April 1, 2037.

931,000

\$4,082,000 Westside Redevelopment Revenue Bond, Series 2017 was issued for the purpose of financing certain community redevelopment capital improvements in the Westside Neighborhood Redevelopment Area included in the Westside Neighborhood Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.33% commencing April 1, 2018, to and including April 1, 2037, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2018, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Westside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax. Final maturity of principal occurs on April 1, 2037.

2,910,000

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

\$8,000,000 Urban Core Redevelopment Revenue Bond, Series 2017 was issued for the purpose of financing certain community redevelopment capital improvements in the Urban Core Redevelopment Area included in the Urban Core Community Redevelopment Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.60% commencing April 1, 2018, to and including April 1, 2040, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2018, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Urban Core Redevelopment Area and in the event that these revenues are insufficient, a covenant to budget and appropriate non-ad valorem revenues of the City. Final maturity of principal occurs on April 1, 2040.

7,000,000

\$25,000,000 Infrastructure Sales Surtax Revenue Bond, Series 2017 was issued for the purpose of financing the cost of acquisition, construction renovation and equipping of additions, extensions, and improvements to facilities and general infrastructure of the City of Pensacola and the costs of issuance on the borrowing. The bond has a fixed interest rate of 2.15% commencing April 1, 2018, to and including October 1, 2028, payable each October 1 and April 1 of each year. Principal payments commenced on October 1, 2018, payable October 1 of each year. Debt service payments are secured with Infrastructure Sales Surtax revenues. Final maturity of principal occurs on October 1, 2028.

12,136,000

\$58,140,000 Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019 was issued for the purpose of refunding the outstanding principal balance of the Redevelopment Revenue Bonds, Series 2009B, as well as financing certain community redevelopment capital improvements in the Urban Core Redevelopment Area included in the Urban Core Community Redevelopment Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.40% commencing October 1, 2019, to and including December 31, 2043, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2021, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Urban Core Redevelopment Area and in the event that these revenues are insufficient, a covenant to budget and appropriate non-ad valorem revenues of the City. Final maturity of principal occurs on December 31, 2043.

51,963,568

Total Governmental Activities

\$ 79,423,568

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Business-type Activities:

Utility Enterprise

\$15,000,000 Gas System Revenue Note, Series 2016 was issued for the primary purpose of financing and/or reimbursing the cost of the design, permitting, acquisition, construction, rehabilitation and equipping of certain capital improvements to the system. The note has a fixed interest rate of 1.97% with annual principal installments beginning October 1, 2017. Debt service payments are secured with Net Revenues of the Utility System. Final maturity of principal occurs on October 1, 2026.

5,946,000

Total Utility Enterprise

5,946,000

Airport Enterprise

\$12,465,000 Airport Refunding Revenue Note, Series 2015 refunded the outstanding principal of the Airport Refunding Revenue Bonds (Non-AMT), Series 2005A. Note has a fixed interest rate of 2.55% commencing April 1, 2016, to and including October 1, 2027, payable each April 1 and October 1 of each year. Principal payments commenced on October 1, 2016, payable October 1 of each year. Debt service payments are secured with Net Revenues of the Airport. Final maturity of principal occurs on October 1, 2027.

4,575,000

\$6,300,000 Airport Refunding Revenue Note, Series 2017 refunded the outstanding principal of the Airport Revenue Bonds, Series 2012. Note has a fixed interest rate of 2.51% commencing April 1, 2018, to and including October 1, 2027, payable each April 1 and October 1 of each year. Principal payments commenced on October 1, 2018, payable October 1 of each year. Debt service payments are secured with Net Revenues of the Airport. Final maturity of principal occurs on October 1, 2027.

2,780,000

\$29,678,000 Airport Refunding Revenue Note, Series 2018 refunded the outstanding principal of the Airport Revenue Bonds, Series 2008. Note has a fixed rate of 3.93% commencing October 1, 2018 percent to and including October 1, 2038, payable each April 1 and October 1 of each year. Principal payments commenced on October 1, 2018, payable October 1 of each year. Debt service payments are secured with Net Revenues of the Airport and is further secured by certain PFC revenues, to the extent that such PFC revenues are deposited into the bond fund. Final maturity of principal occurs on October 1, 2038.

23,978,000

Total Airport Enterprise

31,333,000

Total Business-type Activities

\$ 37,279,000

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Changes in Long-Term Liabilities

Following is a summary of changes in the long-term liabilities for the City as well as the material liabilities for the City's component unit year ended September 30, 2024:

	Beginning Balance		Increases		Decreases		Ending Balance		Due Within One Year
Governmental Activities									
Due to other governments	\$ 5,200,000	\$		\$	(1,300,000)	\$	3,900,000	\$	1,300,000
Claims and judgements	4,020,860		2,111,078		(2,512,942)		3,618,996		2,753,184
Compensated absences	5,549,318		4,624,154		(3,955,835)		6,217,637		477,229
Bonds/Notes payable	85,148,180				(5,724,612)		79,423,568		5,854,981
Lease payable	159,735				(64,691)		95,044		66,671
SBITA payable	95,917		854,930		(47,236)		903,611		469,707
Total OPEB liability	7,894,149		752,669		(346,616)		8,300,202		21,583
Net Pension liability	110,785,910		41,437,496		(48,519,298)		103,704,108		
Governmental activity long term liabilities	<u>\$ 218,854,069</u>	\$	<u>49,780,327</u>	\$	<u>(62,471,230)</u>	\$	<u>206,163,166</u>	\$	<u>10,943,355</u>
Business-type activities									
Due to other governments	\$ 9,750	\$		\$	(9,750)	\$	-	\$	
Compensated absences	2,190,897		2,289,255		(2,153,997)		2,326,155		36,900
Bonds/Notes payable	42,056,000				(4,777,000)		37,279,000		4,905,000
Lease payable	282,608		7,587		(11,161)		279,034		12,083
SBITA payable	101,442				(101,442)		-		
Total OPEB liability	3,027,040		292,705		(140,751)		3,178,994		104,983
Net Pension liability	30,043,580		11,015,031		(14,007,924)		27,050,687		
Business-type activity long term liabilities	<u>\$ 77,711,317</u>	\$	<u>13,604,578</u>	\$	<u>(21,202,025)</u>	\$	<u>70,113,870</u>	\$	<u>5,058,966</u>

The City's outstanding bonds payable and notes payable do not contain any significant events of default with finance-related consequences, termination events with finance-related consequences, or subjective acceleration clauses.

Due to other governments includes an Interlocal agreement between the City of Pensacola and the Emerald Coast Utilities Authority (ECUA) which committed the City to contribute to the Main Street Wastewater Treatment Plant Replacement Project (the Project). The City committed \$19.5 million for the project and agreed to budget and appropriate water and sewer franchise fees and the beverage license tax revenues. For accounting purposes, this is a voluntary non-exchange transaction. In December 2012, ECUA provided documentation which showed all eligibility criteria had been met as of September 30, 2012. Therefore, the long-term liability and expenditure were recorded in the City's government-wide financial statements. Since the long-term liability is not due and payable in the current period it is not recorded in the fund financial statements.

Related to this transaction, the City entered in an agreement with the Community Redevelopment Agency (CRA) wherein the annual installments to ECUA will be paid from CRA revenues and any shortfall paid by the City will be reimbursed.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Compensated absences are estimated at year end only. In addition, for the governmental activities, claims and judgments are liquidated by the insurance retention fund and compensated absences are liquidated primarily by the general fund.

Other Postemployment Benefits (OPEB) were calculated by an independent consultant which provided an actuarial valuation of post-employment benefits as required by GASB 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*.

Pension liability was calculated by an independent consultant which provided an actuarial valuation of pension benefits as required by GASB 67, *Financial Reporting for Pension Plans*, and GASB 68, *Accounting and Financial Reporting for Pensions*. Net pension liability is liquidated primarily by the general fund.

Summary of Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the City's long-term bonds and notes as well as the material long-term bonds and notes for the City's component unit are as shown on the next page; includes both fixed and variable interest rate bonds/notes:

Governmental Long-Term Debt

Fiscal Year Ending September 30,	Principal	Interest	Total Principal and Interest
2025	\$ 5,854,981	\$ 2,349,013	\$ 8,203,994
2026	5,989,901	2,203,375	8,193,276
2027	6,135,210	2,054,121	8,189,331
2028	5,143,969	1,915,182	7,059,151
2029	5,280,991	1,776,159	7,057,150
2030-2034	15,103,842	7,370,365	22,474,207
2035-2039	16,917,645	4,809,252	21,726,897
2040-2044	18,997,029	1,945,531	20,942,560
Total	<u>79,423,568</u>	<u>24,422,998</u>	<u>103,846,566</u>
Less: Current	<u>(5,854,891)</u>	<u>-</u>	<u>(5,854,891)</u>
Total government debt	<u><u>\$ 73,568,677</u></u>	<u><u>\$ 24,422,998</u></u>	<u><u>\$ 97,991,675</u></u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Business-Type Activities Long-Term Debt

Fiscal Year Ending September 30,	Principal	Interest	Total Principal and Interest
2025	\$ 4,905,000	\$ 1,180,846	\$ 6,085,846
2026	5,051,000	1,048,612	6,099,612
2027	5,190,000	912,276	6,102,276
2028	3,267,000	792,271	4,059,271
2029	1,403,000	713,865	2,116,865
2030-2034	7,889,000	2,680,358	10,569,358
2035-2039	9,574,000	969,452	10,543,452
Total	<u>37,279,000</u>	<u>8,297,680</u>	<u>45,576,680</u>
Less: Current	<u>(4,905,000)</u>	<u>-</u>	<u>(4,905,000)</u>
Total business-type debt	<u><u>\$ 32,374,000</u></u>	<u><u>\$ 8,297,680</u></u>	<u><u>\$ 40,671,680</u></u>

Debt Restriction

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions. The City has no legal debt margin.

Revenues Pledged for Debt Repayment

The City has pledged future Tax Increment Revenues derived from the Urban Core Redevelopment Area to repay \$6,715,000 in Bonds issued in 2009, \$8,000,000 in Bonds issued in 2017 and a \$58,140,000 Bond issued in 2019. Proceeds of the 2009 bonds provided financing for the construction of a Community Maritime Park. Proceeds from the 2019 bond provided financing to refund \$38,925,000 in outstanding 2009 bonds. Proceeds of the 2017 bond and remaining proceeds from the 2019 bond provided financing for certain community redevelopment capital improvements in the Urban Core Community Redevelopment Area included in the Urban Core Community Redevelopment Area Plan. The bonds are secured by Tax Increment Revenues derived from the Urban Core Redevelopment Area, and with respect to the Series 2009B Bonds Federal Direct Payments, and in the event that these revenues are insufficient a Covenant to Budget and Appropriate and are payable through 2043. Principal and interest paid for the current year on the 2017 bond was \$308,117 and the 2019 bonds was \$3,440,406 and Tax Increment Revenues for the current year were \$10,271,554.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The City has pledged future Tax Increment Revenues derived from the Eastside Redevelopment Area to repay a \$1,307,000 Bond issued in 2017. Proceeds of the bond provided financing for certain community redevelopment capital improvements in the Eastside Neighborhood Redevelopment Area included in the Eastside Neighborhood Plan. The bond is secured by Tax Increment Revenues derived from the Eastside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax and are payable through 2037. Principal and interest paid for the current year were \$89,900 and Tax Increment Revenues for the current year were \$468,163.

The City has pledged future Tax Increment Revenues derived from the Westside Redevelopment Area to repay a \$4,082,000 Bond issued in 2017. Proceeds of the bond will provide financing for certain community redevelopment capital improvements in the Westside Neighborhood Redevelopment Area included in the Westside Neighborhood Plan. The bond is secured by Tax Increment Revenues derived from the Westside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax, and are payable through 2037. Principal and interest paid for the current year were \$279,797 and Tax Increment Revenues for the current year were \$2,203,919.

The City has pledged future Infrastructure Sales Tax to repay \$25,000,000 in a Bond issued in 2017. Proceeds from the 2017 bond were used to finance the cost of acquisition, construction renovation and equipping of additions, extensions, and improvements to facilities and general infrastructure of the City of Pensacola. Debt service payments are secured with the Infrastructure Sales Tax revenues and are payable through 2028. Principal and interest paid for the current year on the 2017 bond was \$2,561,391 and Infrastructure Sales Tax revenues for the current year were \$12,212,289.

The City has pledged future Local Option Gasoline Tax (LOGT) revenues to repay \$14,314,000 in a Bond issued in 2016. Proceeds of the bond was used to finance the cost of the acquisition and construction of capital improvements to the road system of the City of Pensacola and the costs of issuance on the borrowing. Debt service payments are secured with the LOGT revenues through 2026. In the event that LOGT is insufficient to pay debt service, the loan is furthered secured by a covenant to budget and appropriate from the City's non-ad valorem revenues. Principal and interest paid for the current year were \$1,536,224 and LOGT revenues for the current year were \$1,423,954. Local Option Gasoline Tax revenues along with funds available in the Local Option Gas Tax Debt Service Fund are sufficient to make annual debt service payments.

The City has pledged future Net Revenues of the Utility System to repay \$20,000,000 in Notes issued in 2011 and 2016. Proceeds of the notes were used to provide financing for the construction of and rehabilitation of capital improvements to the gas system. Debt service payments are secured with the Net Revenues of the Utility System through 2026. Principal and interest paid (cash basis) for the current year were \$2,040,900 and net revenues for the current year were \$15,147,853 .

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The City has pledged future Net Revenues of the Airport to repay \$48,443,000 in Bonds and Notes issued between 2015 through 2018. Proceeds of the bonds were used to finance the acquisition, construction and rehabilitation improvements to the Airport Facilities as well as refinance its Airport Revenue Refunding Bond, Series 2005A, Airport Improvement Revenue Bonds, Series 2008 and Airport Revenue Bonds, Series 2012. Debt service payments are secured with the Net Revenues of the Airport through 2038. Principal and interest paid (cash basis) for the current year were \$2,328,554 and net revenues for the current year were \$8,550,030. Net Revenues excludes CFC revenues of \$3,300,231 pledged towards the Airport Taxable Customer Facility Charge Revenue Note, Series 2008 and operating expenses of \$1,029,283.

The City has pledged future Passenger Facility Charge (PFC) revenue (to the extent they are deposited into the Bond Fund) of the Airport to refinance its Airport Revenue Bonds, Series 2008. Proceeds of the bonds were used to finance acquisition, construction, and rehabilitation improvements to the Airport Facilities. Debt service payments are secured with the Passenger Facility Charge (PFC) revenue to the extent they are deposited into the Bond Fund through 2038. Principal and interest paid (cash basis) for the current year were \$1,716,695 and net revenues for the current year were \$5,922,365.

Direct Borrowings, Direct Placements and Lines of Credit

The City has no direct borrowings, direct placements, or unused lines of credit.

Leases Payable

The City is a lessee for noncancellable leases of land and equipment. At September 30, 2024, the City's lease payable of \$374,078 was composed of the following:

Governmental Activities

Equipment leases – annual lease payments total \$68,609; due date March 2026. This amount includes interest at a rate of 3%.	<u>\$95,044</u>
Total Governmental Activities Lease Payable	<u><u>\$95,044</u></u>

Business-type Activities

Land leases – annual lease payments total \$19,812; due dates ranging from September 2032 to April 2074. This amount includes interest at a rate of 3%.	<u>\$279,034</u>
Total Business-type Activities Lease Payable	<u><u>\$279,034</u></u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The future principal and interest lease payments as of September 30, 2024 were as follows:

Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 66,671	\$ 1,812	\$ 12,083	\$ 8,203
2026	28,373	160	12,955	7,828
2027	-	-	13,866	7,426
2028	-	-	14,799	7,016
2029	-	-	15,812	6,537
2030-2034	-	-	68,853	25,491
2035-2039	-	-	49,198	17,588
2040-2044	-	-	64,477	9,085
2045-2049	-	-	21,934	1,267
2050-2054	-	-	776	713
2055-2059	-	-	902	586
2060-2064	-	-	1,047	438
2065-2069	-	-	1,217	266
2070-2074	-	-	1,114	71
	<u>\$ 95,044</u>	<u>\$ 1,972</u>	<u>\$ 279,034</u>	<u>\$ 92,515</u>

SBITA Payable

The City has subscription-based information technology arrangements. At September 30, 2024, The City's SBITA payable of \$903,611 was composed of the following:

Governmental Activities

Annual subscription payments total \$497,264; due dates ranging from September 2026 to December 2026. This amount includes interest at a rate of 3%.	<u>\$903,611</u>
Total Governmental Activities SBITA Payable	<u>\$903,611</u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The future principal and interest SBITA payments as of September 30, 2024 were as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2025	\$ 469,707	\$ 17,879
2026	433,904	3,400
	<u>\$ 903,611</u>	<u>\$ 21,279</u>

Florida Ports Finance Commission Agreement

Florida Ports Financing Commission Revenue Bonds, Series 1999 – On July 17, 1996, the Florida Ports Financing Commission (the “Commission”) was created pursuant to Section 320.20(3) and Chapter 163, Part I, Florida Statutes through an Interlocal Agreement among Canaveral Port Authority, Jacksonville Port Authority and Panama City Port Authority. The Commission’s purpose is to provide a cost-effective means of financing various capital projects for the State of Florida’s ports by issuing bonds and transferring the proceeds thereof to the individual ports. The Commission and SunTrust Bank, Central Florida, National Association, Orlando, Florida (the “Trustee”) entered into an Indenture of Trust, dated September 1, 1999 (the “Indenture”), which authorized the issuance of \$153,115,000 Florida Ports Financing Commission Revenue Bonds (State Transportation Trust Fund), Series 1999 (the Bonds”). The Bonds were refunded in 2011 with principal and interest payments through October 1, 2029.

On October 14, 1999, the Bonds were issued to provide funds to finance the costs of acquiring and constructing capital projects undertaken by 10 ports located in the State of Florida (the “Ports”), including the City. The amount allocated to the City was not to exceed \$3,000,000, which was available for approved expenditures. The Commission loaned the proceeds of the Bonds (the “Loans”) to the Ports pursuant to separate loan agreements (the “Loan Agreements”) entered into between each of the Ports individually and the Commission.

The Loan Agreement entered into by the City provides that the City will repay its Loan solely from monies due from the State Transportation Trust Funds. Pursuant to Section 320.20(4), Florida Statutes, \$15,000,000 of the revenues received by the State of Florida from motor vehicle registration fees is to be deposited annually in the State Transportation Trust Fund for funding Projects (the “State Monies”). Basic Payments under the Loan Agreement are payable solely from monies on deposit in the State Transportation Trust Fund. The Department of Transportation and the Commission entered into a Master Agreement pursuant to which the Department of Transportation agrees to transfer the State Monies annually into an escrow account held by the State Department of Insurance, Division of Treasury, on behalf of the Trustee which may be drawn upon by the Trustee in order to pay the debt service on the Bonds as the same becomes due. The City has assigned all of its right, title and interest to the monies allocated to the City from State Monies to the Trustee on behalf of the Commission, to pay its portion of debt service on the Bonds.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

In addition to the Basic Payments, the City agreed to pay on demand of the Commission or the Trustee additional payments constituting (a) its proportionate share of certain ongoing fees, costs and expenses related to the financing program, (b) all reasonable fees and expenses of the Commission and the administrator of the financing program, (c) its proportionate share of rebate obligations relating to the Bonds pursuant to Section 149 of the Internal Revenue Code of 1986, and (d) any unallowable costs required to be repaid by the Borrower under the Loan Agreement (the “Additional Payments”). The City has agreed to pay from legally available non-ad valorem revenues of its Port facilities (the “Port Revenues”) sufficient monies to make such Additional Payments. Such agreement is applicable solely to the Additional Payments and does not cover the Basic Payments.

The Bonds do not create nor constitute an obligation or debt of the State of Florida or any political subdivision thereof or any public corporation, port or governmental agency existing under the laws of the State of Florida other than the Commission. The Bonds do not constitute the giving, pledging or loan of the faith and credit of the State of Florida or any political subdivision thereof or any public corporation, port or governmental agency existing under the laws of the State of Florida. The Bonds are payable solely from State Monies as the Basic Payments of the Borrowers.

The financing program of the Commission described above is in substance a grant program, inasmuch as all debt service payments on the Bonds are payable solely from monies in the State Transportation Trust Fund. The program was structured with Loan Agreements in order to satisfy certain legal requirements. Bondholders have no recourse to the Borrowers, including the City, for payment of the principal and interest on the Bonds.

The City has not recorded a liability for the loan since it does not have any obligation except for monies due it from the State Transportation Trust Fund. As discussed above, all of such monies have been assigned to the Trustee to pay the debt. Except to the extent the City is obligated to pay Additional Payments from the Port Revenues, the City has no other obligation on the debt and no other monies of the Authority have been pledged or are obligated for payment of the debt. As expenditures were incurred for the approved projects, the City recorded a receivable from the Commission for 50% of qualified amounts and recorded the amount to be reimbursed as contributed capital. Monies not expended on approved projects by individual ports (excess project funds) are returned to the funding pool and reallocated. The amount expended by the City in excess of the allocated \$2.7 million was made possible through the excess funding reallocation program. The bond proceeds have since been fully expended by the ports to which they were allocated. The City has incurred in total \$3,904,251 of eligible expenditures.

On January 12, 2021, the Commission agreed to issue Florida Ports Financing Commission Refunding Revenue Bonds, Series 2021 in order to refinance the Series 2011 Bonds with principal and interest payments through October 1, 2029. The City of Pensacola received an additional allocation of \$1,081,712 from the savings that were realized and deposited into the State of Florida’s Seaport Grant Program.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

F. Fund Balance Disclosure

Fund Balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the City, in accordance with policies established by the City Council. In accordance with Governmental Accounting and Financial Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies fund balance as follows.

Non-Spendable Fund Balance – Amounts that are not in a spendable form or are required to be maintained intact (such as inventory or prepaids).

Restricted Fund Balance – Amounts that can be spent only for the specific purposes stipulated by external resource providers (such as grantors) or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally. An Ordinance adopted by Council establishes a fund balance commitment.

Assigned Fund Balance – Amounts the City intends to use for a specific purpose. The City Council via resolution or the Mayor, as authorized by City Council Policy (enacted through resolution), establishes fund balance assignments.

Unassigned Fund Balance – The residual classification for the General Fund and includes amounts that are not contained in the other classifications. Unassigned amounts are the portion of fund balance which is not obligated or specifically designated and is available for any purpose. The general fund is the only fund that reports a positive unassigned balance amount.

For classification of fund balance 1) when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first 2) when expenditures are incurred for purposes for which amounts in any of unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

In June 2010, the City Council approved Resolution No. 31-10 which established the Fund Balance Policy of Governmental Funds as well as committed the Council Reserves Fund Balance in the General Fund. On September 25, 2014, the City Council approved the same Council Reserve Policy by Ordinance, amending chapter 3-1 of the Code of the City of Pensacola, Florida, creating section 3-1-13.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

On March 9, 2017, City Council amended chapter 3-1-13 of the Code of the City of Pensacola, Florida, increasing the minimum reserve from 15 percent to 20 percent.

The Council Reserve, which is required to be a minimum of 20 percent of the General Fund beginning adopted appropriations, is reported as committed fund balance in the General Fund. The Council Reserve shall not be used until current year revenues decrease by 5 percent or more of the total adopted beginning estimated revenues, including transfers and all efforts have been exhausted to fund unanticipated needs and/or emergencies, such as implementing a modified hiring freeze and expenditure reductions. Upon determination of the need, the Mayor may initiate use of the reserves through written communication to the City Council, explaining the nature of the emergency with approval by a two-thirds vote of City Council. Proceeds from the sale of City (general government) owned surplus real property, specifically approved by City Council for such purpose, and any other funds identified in the annual budget (and amendments thereto) will be used to increase the reserve. Interest earnings will be applied on the reserve balance each fiscal year.

The City does not have a formal minimum fund balance policy for unassigned fund balance. A schedule of City fund balances is provided in the following pages.

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CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	Major Funds			
	General Fund	Housing Assistance Payments	CMP Management Services Fund	Local Option Sales Tax Fund
<i>Fund Balance</i>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits	439,144	8,305	105,916	
Subtotal non-spendable fund balance	439,144	8,305	105,916	-
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments				
Local Option Gas Tax debt payments				
Stormwater projects				
Section 8 program administrative		2,094,420		
Natural disaster projects				
General government	657,893			117,000
Transportation	794,778			1,038,920
Physical Environment				
Saenger capital	541,840			
Public safety	585,856			163,855
Community development projects				
Culture and recreation	455,534		890,680	567,668
Tree landscape	21,942			
Building inspections				
Local Option Sales Tax debt payment				2,455,462
Local Options Sales Tax projects				4,665,770
Subtotal restricted fund balance	3,057,843	2,094,420	890,680	9,008,675
Committed				
Council Reserve	15,586,480			
Tree landscape	561,176			
Park purchases	56,434			
Stormwater projects				
Subtotal committed fund balance	16,204,090	-	-	-
Assigned				
General government	8,072,772			
Demolition	562,583			
Lien amnesty	28,269			
Housing Initiatives Fund	508,876			
Inner City Housing Initiatives				
Parking				
Community development projects				
Natural disaster projects	2,550,000			
Culture and recreation			960,602	
Physical Environment				
Subtotal assigned fund balance	11,722,500	-	960,602	-
Unassigned	728,157			
<i>Total Fund Balance</i>	\$ 32,151,734	\$ 2,102,725	\$ 1,957,198	\$ 9,008,675

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Special Revenue Funds			
	Special Grants	Local Option Gasoline Tax	Community Development Block Grant	Community Redevelopment Agency
<i>Fund Balance</i>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits				1,026
Subtotal non-spendable fund balance	-	-	-	1,026
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments				
Local Option Gas Tax debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government	64,841			
Transportation	140,335	916,179		
Physical Environment	246,242			
Saenger capital				
Public safety	17,984			
Community development projects				5,194,826
Culture and recreation	373,976			
Tree landscape				
Building inspections				
Local Option Sales Tax debt payment				
Local Options Sales Tax projects				
Subtotal restricted fund balance	843,378	916,179	-	5,194,826
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects				
Subtotal committed fund balance	-	-	-	-
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking				
Community development projects				4,234,767
Natural disaster projects				
Culture and recreation				
Physical Environment				
Subtotal assigned fund balance	-	-	-	4,234,767
Unassigned	(687,826)			
Total Fund Balance	\$ 155,552	\$ 916,179	\$ -	\$ 9,430,619

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Special Revenue Funds			
	Stormwater Utility Fund	Parking Fund	Code Enforcement	Law Enforcement Trust
<i>Fund Balance</i>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits	10,484	1,707	2,857	
Subtotal non-spendable fund balance	10,484	1,707	2,857	-
Restricted				
Parking		242,979		
Redevelopment Rev Bond(s) debt payments				
Local Option Gas Tax debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation				
Physical Environment				
Saenger capital				
Public safety				354,071
Community development projects				
Culture and recreation				
Tree landscape				
Building inspections				
Local Option Sales Tax debt payment				
Local Options Sales Tax projects				
Subtotal restricted fund balance	-	242,979	-	354,071
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects	932,004			
Subtotal committed fund balance	932,004	-	-	-
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking		703,540		
Community development projects				
Natural disaster projects				
Culture and recreation				
Physical Environment			1,867,965	
Subtotal assigned fund balance	-	703,540	1,867,965	-
Unassigned				
<i>Total Fund Balance</i>	\$ 942,488	\$ 948,226	\$ 1,870,822	\$ 354,071

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Special Revenue Funds			
	Eastside			
	Natural Disaster		Tax Increment	
	Fund	Golf Course Fund	Financing District	Inspections Fund
<i>Fund Balance</i>				
Non-spendable				
Inventories	\$	\$ 6,566	\$	\$
Prepays and Deposits		21,687		
Subtotal non-spendable fund balance	-	28,253	-	-
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments				
Local Option Gas Tax debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects	653,240			
General government				
Transportation				
Physical Environment				
Saenger capital				
Public safety				
Community development projects			773,227	
Culture and recreation		14,629		
Tree landscape				
Building inspections				1,911,031
Local Option Sales Tax debt payment				
Local Options Sales Tax projects				
Subtotal restricted fund balance	653,240	14,629	773,227	1,911,031
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects				
Subtotal committed fund balance	-	-	-	-
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking				
Community development projects				
Natural disaster projects	2,446,244			
Culture and recreation		375,979		
Physical Environment				
Subtotal assigned fund balance	2,446,244	375,979	-	-
Unassigned				
<i>Total Fund Balance</i>	\$ 3,099,484	\$ 418,861	\$ 773,227	\$ 1,911,031

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Special Revenue Funds			
	Westside Tax Increment Financing District	Recreation Fund	Tennis Fund	American Rescue Plan Act
<i>Fund Balance</i>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits		1,023	9,922	
Subtotal non-spendable fund balance	-	1,023	9,922	-
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments				
Local Option Gas Tax debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation				
Physical Environment				
Saenger capital				
Public safety				
Community development projects	2,558,762			
Culture and recreation			29,240	
Tree landscape				
Building inspections				
Local Option Sales Tax debt payment				
Local Options Sales Tax projects				
Subtotal restricted fund balance	2,558,762	-	29,240	-
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects				
Subtotal committed fund balance	-	-	-	-
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking				
Community development projects				
Natural disaster projects				
Culture and recreation		735,035	174,111	
Physical Environment				
Subtotal assigned fund balance	-	735,035	174,111	-
Unassigned				
<i>Total Fund Balance</i>	\$ 2,558,762	\$ 736,058	\$ 213,273	\$ -

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Debt Service Fund		Capital Projects Funds	
		Local Option Gasoline Tax Debt Service	CRA 2017 Project Fund	CRA 2019 Project Fund
<i>Fund Balance</i>	CRA Debt Service			
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits				
Subtotal non-spendable fund balance	-	-	-	-
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments	4,168,535			
Local Option Gas Tax debt payments		1,558,454		
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation				
Physical Environment				
Saenger capital				
Public safety				
Community development projects			4,161,199	4,531,252
Culture and recreation				
Tree landscape				
Building inspections				
Local Option Sales Tax debt payment				
Local Options Sales Tax projects				
Subtotal restricted fund balance	4,168,535	1,558,454	4,161,199	4,531,252
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects				
Subtotal committed fund balance	-	-	-	-
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking				
Community development projects				
Natural disaster projects				
Culture and recreation				
Physical Environment				
Subtotal assigned fund balance	-	-	-	-
Unassigned				
<i>Total Fund Balance</i>	\$ 4,168,535	\$ 1,558,454	\$ 4,161,199	\$ 4,531,252

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	<u>Nonmajor Funds</u>	
	<u>Capital Projects Funds</u>	
	<u>Stormwater Capital</u>	<u>Total All Funds</u>
<i>Fund Balance</i>		
Non-spendable		
Inventories	\$	6,566
Prepays and Deposits		602,071
Subtotal non-spendable fund balance	-	608,637
Restricted		
Parking		242,979
Redevelopment Rev Bond(s) debt payments		4,168,535
Local Option Gas Tax debt payments		1,558,454
Stormwater projects	888,160	888,160
Section 8 program administrative		2,094,420
Natural disaster projects		653,240
General government		839,734
Transportation		2,890,212
Physical Environment		246,242
Saenger capital		541,840
Public safety		1,121,766
Community development projects		17,219,266
Culture and recreation		2,331,727
Tree landscape		21,942
Building inspections		1,911,031
Local Option Sales Tax debt payment		2,455,462
Local Options Sales Tax projects		4,665,770
Subtotal restricted fund balance	888,160	43,850,780
Committed		
Council Reserve		15,586,480
Tree landscape		561,176
Park purchases		56,434
Stormwater projects	6,312,867	7,244,871
Subtotal committed fund balance	6,312,867	23,448,961
Assigned		
General government		8,072,772
Demolition		562,583
Lien amnesty		28,269
Housing Initiatives Fund		508,876
Inner City Housing Initiatives		-
Parking		703,540
Community development projects		4,234,767
Natural disaster projects		4,996,244
Culture and recreation		2,245,727
Physical Environment		1,867,965
Subtotal assigned fund balance	-	23,220,743
Unassigned		40,331
<i>Total Fund Balance</i>	\$ 7,201,027	\$ 91,169,452

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION

A. Risk Management

The City is self-insured with respect to general, auto liability, and workers' compensation claims. An excess liability policy for workers' compensation has been purchased. In any given fiscal year, insurance settlements have not exceeded insurance coverage. Coverage limits remained the same. Self-insured retentions for workers' compensation increased for FY 2024. The coverage limits and deductibles are as follows:

<u>Primary Coverage</u>	<u>Coverage (in millions)</u>	<u>Deductible</u>
Port operations	16	10,000
Airport operations	250	0
Law Enforcement	2	150,000
Public officials	2	75,000

<u>Excess Liability Coverage</u>	<u>Coverage (in millions)</u>	<u>Self Insured Retentions</u>
Workers' compensation (W/C)	Per Florida Statutory Limits	1,000,000 Per Occurrence
Gas Operation	35	500,000 Per Occurrence
Gas Operation - Pollution	35	500,000 Per Occurrence

The City has established reserves of \$4,196,795 in the Insurance Retention Fund representing a contract between the City and its employees regarding health, life, dental, and survivor disability insurance; a majority of which is survivor disability insurance. This amount is not available for city-wide catastrophic losses.

All departments of the City participate in the self-insurance program and make payments to the Insurance Retention Fund. Claims liability of \$3,618,996 on September 30, 2024 is based on the requirements of *Governmental Accounting Standards Board* (GASB) Statements No. 10 and No. 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is a) probable that a liability has been incurred at the date of the financial statements and b) the amount of the loss can be reasonably estimated.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

Claim liabilities, including incurred but not reported (IBNR) claims, are based on the estimated ultimate cost of settling the claim (including the effects of inflation and other societal and economic factors), using past experience adjusted for current trends, and any other factors that would modify past experience. Claim liabilities also include specific, incremental claim adjustment expenses. In addition, estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Expenses and liabilities are estimated through a case-by-case review of all claims and the application of historical experience of the outstanding claims. Estimates of IBNR losses are based on historical experience and are stratified to general, automobile, and workers' compensation liabilities.

On September 30, 2024, the claims liability for automobile, general, and workers' compensation liability were \$728,947, \$427,022, and \$2,463,027 respectively. The City's insurance administrators do not calculate, or report discounted amounts for automobile and general liability. Workers' compensation liability is discounted at a rate of 8%. Each claim under workers' compensation is calculated independently using the monthly payment amount and the present value factor. The undiscounted amount is not calculated and, therefore unavailable for disclosure.

Changes in the Fund's claims liability amount in fiscal year 2023 and 2024 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2023	\$3,769,562	2,014,443	(1,763,145)	\$4,020,860
2024	\$4,020,860	2,111,078	(2,512,942)	\$3,618,996

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**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

B. Pension Plans

Pension Plan Financial Statements

The financial statements for the General, Fire, and Police Pension Plans are presented below:

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	General Pension and Retirement Fund	Firefighter's Relief and Pension Fund	Police Officers' Retirement Fund	Total Pension Trust Funds
ASSETS				
Other cash	\$ 84,929	\$ 380,534	\$ 333,976	\$ 799,439
Receivables:				
Employer	180	325	156	661
Employee	9,915	35,743	8,088	53,746
Private trust funds			82,143	82,143
Due from other funds	5			5
Total receivables	<u>10,100</u>	<u>36,068</u>	<u>90,387</u>	<u>136,555</u>
Investments :				
Short term investments	2,406,134	3,678,233	1,944,330	8,028,697
Debt Securities & Bond Mutual Funds	46,001,353	25,026,362	18,915,332	89,943,047
Convertible Corporate Bonds	11,021,801	11,613,334		22,635,135
Stock Mutual Funds	8,665,790	28,647,978		37,313,768
Mortgage Backed Securities	5,595,873	13,750,816	10,798,775	30,145,464
Commingled Trust Fund	8,422,714	8,284,060	23,380,035	40,086,809
Domestic Stocks	44,963,088	39,628,483	68,171,281	152,762,852
Preferred Stocks	264,005	276,476		540,481
Foreign Stocks	22,539,847	2,735,637	12,115,257	37,390,741
Total investments	<u>149,880,605</u>	<u>133,641,379</u>	<u>135,325,010</u>	<u>418,846,994</u>
Total assets	<u>\$ 149,975,634</u>	<u>\$ 134,057,981</u>	<u>\$ 135,749,373</u>	<u>\$ 419,782,988</u>
LIABILITIES				
Accounts payable	\$ 109,268	\$ 145,773	\$ 63,506	\$ 318,547
Total liabilities	<u>109,268</u>	<u>145,773</u>	<u>63,506</u>	<u>318,547</u>
NET POSITION				
Restricted for pension benefits	<u>\$ 149,866,366</u>	<u>\$ 133,912,208</u>	<u>\$ 135,685,867</u>	<u>\$ 419,464,441</u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

**STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	General Pension and Retirement Fund	Firefighter's Relief and Pension Fund	Police Officers' Retirement Fund	Total Pension Trust Funds
Additions:				
Contributions - city	\$ 5,604,123	\$ 1,239,610	\$ 3,411,441	\$ 10,255,174
Contributions - employee	265,284	847,882	194,544	1,307,710
Commission recapture	127	4	5,091	5,222
Insurance proceeds - State of Florida	942,123	847,852	1,789,975	1,789,975
Total contributions	<u>5,869,534</u>	<u>3,029,619</u>	<u>4,458,928</u>	<u>13,358,081</u>
Investment income				
Net appreciation/(loss)				
in fair value of investments	18,441,510	18,646,255	21,375,335	58,463,100
Interest and dividends	4,411,352	2,824,015	3,271,660	10,507,027
	<u>22,852,862</u>	<u>21,470,270</u>	<u>24,646,995</u>	<u>68,970,127</u>
Less investment expense	586,158	577,775	507,275	1,671,208
Net investment income	<u>22,266,704</u>	<u>20,892,495</u>	<u>24,139,720</u>	<u>67,298,919</u>
Total additions	<u>28,136,238</u>	<u>23,922,114</u>	<u>28,598,648</u>	<u>80,657,000</u>
Deductions:				
Pensions paid - employees	10,810,536	8,060,590	7,319,011	26,190,137
Pensions paid - widows	2,181,147	1,116,537	807,115	4,104,799
Pensions paid - children	2,862			2,862
Refunds to employees	30,539			30,539
Deferred retirement option plan	279,433	1,066,810	126,226	1,472,469
Health insurance assistance	90,188			90,188
Administrative expenses	158,376	140,621	145,321	444,318
Total deductions	<u>13,522,542</u>	<u>10,415,097</u>	<u>8,397,673</u>	<u>32,335,312</u>
Change in net position	<u>14,613,696</u>	<u>13,507,017</u>	<u>20,200,975</u>	<u>48,321,688</u>
Net position restricted for pension benefits:				
Beginning of year	<u>135,252,670</u>	<u>120,405,191</u>	<u>115,484,892</u>	<u>371,142,753</u>
End of year	<u>\$ 149,866,366</u>	<u>\$ 133,912,208</u>	<u>\$ 135,685,867</u>	<u>\$ 419,464,441</u>

The State Insurance proceeds are based on Chapter 185.08 and Chapter 175.101 of the Laws of Florida.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Plan Description

Plan administration. The City maintains three contributory, defined benefit, single employer pension plans which are administered by the City's Finance Director. The Firefighters' Relief and Pension Plan covers full-time firefighters; the Police Officers' Retirement Fund covers full-time police officers hired prior to January 1, 2013; the General Pension and Retirement Plan covers non-public safety, full-time employees hired prior to June 18, 2007. The administrative costs are included in the City's cost and contribution rate provided in the actuarial valuation. Benefits and refunds of the defined pension plan are recognized when due and payable in accordance with the terms of the plan.

As of June 18, 2007, the General Pension and Retirement Plan was closed to new participants. Existing non-public safety, full-time employees were given an option to remain in the General Pension and Retirement Plan or join the Florida Retirement System (FRS), multiple-employer, cost sharing public employee retirement system. New participants hired after June 18, 2007 are required to participate in FRS.

The Police Officers' Retirement Fund is for all full-time sworn officers. The Police Officers' Retirement Fund was closed on January 1, 2013 to new participants. The existing participants were given the opportunity to remain in the current plan or participate in the FRS. New officers hired after January 1, 2013 are required to participate in FRS.

Management of all three retirement plans is vested in a Board of Trustees for each plan. The General Pension and Retirement Plan Board consists of six members, two which are elected by the participants, one elected by City Council President and three are appointed by the City Council. The Firefighters' Relief and Pension Plan and the Police Officers' Retirement Fund Board consist of five members, two which are elected by the participants, two are appointed by the City Council and the fifth member is elected by the other four members.

The City also participates in the Florida Retirement System (FRS). The FRS provides two cost sharing, multiple employers defined benefit plans which are administered by Florida Department of Management Services, Division of Retirement (division), including the FRS Pension Plan ("FRS Plan") and Retiree Health Insurance Subsidy ("HIS Plan"). These two plans cover non-public safety, full-time employees hired after June 18, 2007 and new police officers hired after January 1, 2013. Unlike the City's three contributory, defined benefit, single employer pension plans, FRS requires employees to participate in the Federal Social Security Program. The FRS Plan was established and is administered in accordance with Chapter 121, Florida Statutes. The HIS Plan was established and administered in accordance with section 112.363, Florida Statutes.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. That report may be obtained by writing to the Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32399, calling 1-877-377-1737 or from the web site:

http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Plan Membership. Actuarial reports for the General Pension and Retirement plan, Firefighters' Relief and Pension plan and Police Officers' Retirement plan are required to be updated every three years per State Statute Chapter 112.63(2), 175.261(1)(b) and 185.221(2)(b), respectively. Membership of the General Pension and Retirement Plan, on September 30, 2023 as well as the Firefighters' Relief and Pension Plan and the Police Officers' Retirement plan as of September 30, 2024 consisted of the following:

	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement
Retirees and beneficiaries receiving benefits	552	176	174
Terminated plan members entitled to but not yet receiving benefits	42	2	18
DROP plan members	12	6	7
Active plan members	69	110	45
Total	<u>675</u>	<u>294</u>	<u>244</u>
Number of participating Employers	1	1	1

The General Pension and Retirement Plan was closed to new participants hired on or after June 18, 2007. The Police Officers' Retirement Fund was closed to new participants hired after January 1, 2013.

Membership of the FRS broken down by class, per City payroll records, as of September 30, 2024 consisted of the following:

DROP	1
Elected Officials	6
Senior Management Retired	1
Regular Class	391
Regular Class Retired	2
Senior Management	11
Special Risk	120
Special Risk Retired	1
Total	<u>533</u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Benefits Provided. For the HIS Plan, fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30, and the maximum payment is \$150 per month. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide subsidy benefits to all participants, benefits may be reduced or cancelled. All other pension plan benefits are shown in the chart below.

	<u>FRS Plan</u>	<u>General Pension and Retirement</u>	<u>Firefighters' Relief and Pension</u>	<u>Police Officers' Retirement</u>
Vesting	Prior to 7/1/2011 6 years; On or after 07/1/2011 8 years	6 years	10 years	12 years
Eligibility for retirement	Prior to 7/1/2011 Age 62 with (w/o) 30 yrs. of svc or 30 yrs. of svc w/no age requirement After 7/1/2011 age 65 with 33 yrs if svc	Age 55 w/ 20 yrs. of svc or 30 yrs. of svc w/no age requirement	Age 52 w/10 yrs. of svc or 25 yrs. of svc w/no age requirement	Age 55 w/12 yrs. of svc or 25 yrs. of svc w/ no age requirement
Monthly retirement benefit	Based on final average earnings (Prior to 07/1/2011) highest 5 yrs.) (After 07/1/2011 highest 8 yrs.): Regular Class - Age 62 1.6% - Age 63 1.63% - Age 64 1.65% - Age 65 1.68% Senior Mgmt. - Age 62 2% Elected Officials - Age 62 3% Special Risk - Age 62 - 2% if hired between 12/1/70 and 9/30/74 - 3% if hired after 10/1/74	Based on final average earnings (last 5 yrs.): - 75% of 1st \$2,400 - 50% of next \$1,200 - 40% of excess or 2.1% times yrs. of svc prior to 10/1/12 and 1.75% times yrs. of svc after 10/1/12 (30 yrs. max) times final monthly average earnings (whichever formula provides the greater benefit) but not less than 25 per yrs. of svc	Based on final average earnings (highest 2 of last 5 yrs.) or last 5 yrs. if less than 20 yrs. on 6/10/2015: 75% of final monthly average earnings for normal retirements with 25 or more yrs. of svc or: - 75% of 1st \$2,400 - 70% of next \$1,200 - 65% of any add '1 amount for disability retirements and normal retirements w/less than 25 yrs. of svc	Based on final average earnings (highest 2 of last 5 yrs. or last 5 if less than 20 yrs. on 1/1/2013): Percentage of average final compensation for each full year of credited service: - Hired before 10/1/79 receive 2% - Hired on or after 10/1/79 who elected to participate receive 3%
Other Benefits	- Early retirement - Deferred retirement - Disability retirement - Health insurance subsidy - Death benefits - Deferred retirement option program	- Early retirement - Deferred retirement - Disability retirement - Health ins. subsidy - Death benefits - Deferred retirement option program	- Early retirement - Deferred retirement - Disability retirement - Death benefits - Deferred retirement option program	- Early retirement - Deferred retirement - Disability retirement - Death benefits - Deferred retirement option program
Post-retirement COLA	3% per year if retired prior to 7/1/2011; if retired on or after 07/1/2011, years of service before 7/1/2011 divided by total years of service times 3%	Retired prior to 10/1/12 up to 1.5% annually and retired on or after 10/1/12 up to 1% w/a corresponding increase in the CPI	Up to 3% annually w/a corresponding increase in the CPI for those hired prior to 7/1/99; hired between 7/1/99 and 6/10/15 up to 2% annually w/a corresponding increase in CPI; hired after 6/10/15 no COLA	Retired Prior to 1/1/13 up to 3% annually; retired on or after 1/1/13 up to 3% first ten years and not to exceed 2% thereafter w/a corresponding increase in the CPI (Increase at the discretion of Pension Bd)

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Contributions. For the three contributory, defined benefit, single employer pension plans, the Boards of Trustees establish contributions based on an actuarially determined rate recommended by an independent actuary. The rate is the estimated cost of benefits earned by employees during the year, with an additional amount to finance the unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate, the contribution rate of employees and any Chapter 175/185 funds applied.

The City is required to make contributions to FRS Plan based on state-wide contribution rates, established by the Florida Legislature. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Plan. The rates are updated as of July 1 of each year. As reported by the FRS, the City's contributions, including employee's three percent contribution to the FRS plan totaled \$4,179,268 for the State's fiscal year ended June 30, 2024.

The HIS Plan is funded by required contributions from FRS participating employers. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The City's contributions are a percentage of gross compensation for all active FRS members. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. As reported by the FRS, the City's contributions to the plan totaled \$633,358 for the State's fiscal year ended June 30, 2024.

For the year ended September 30, 2024, the contribution rates were as follows:

	FRS Plan	HIS Plan	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement
Contributions					
Employee	3.00%	N/A	5.50%	11.00%	5.20%
Employer	See Below	2.00%	116.19%	16.08%	91.18%
Regular Class	13.63%	N/A	N/A	N/A	N/A
Senior Mgmt.	34.52%	N/A	N/A	N/A	N/A
Elect Officials	58.68%	N/A	N/A	N/A	N/A
DROP	21.13%	N/A	N/A	N/A	N/A
Special Risk	32.79%	N/A	N/A	N/A	N/A
Retired	6.84%	N/A	N/A	N/A	N/A
Sr. Mgmt Ret.	25.90%	N/A	N/A	N/A	N/A
Sr. Risk Ret.	14.07%	N/A	N/A	N/A	N/A
State	N/A	N/A	N/A	12.22%	22.66%

All employee contributions to the pension plans are based on a percentage of pay. The remaining contribution percentages shown above are reported as a percentage of pay for comparative purposes only. The General Pension and Retirement and the Police Officers' Retirement plans are closed plans therefore the percentage of pay will continue to increase as participants retire.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Investments

Investment policy. The City's three contributory, defined benefit, single employer pension plans investment policy for the allocation of invested assets is established and may be amended by their respective Board of Trustees by a majority vote of its members. It is the policy of the Boards of Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Board's policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Boards' adopted asset allocation policy as of September 30, 2024 and the State Board of Administrations policy as of June 30, 2024.

	Florida Retirement System (FRS)	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement
Asset Class:				
Global Equity	45.0%			
Domestic Equity		37%	37%	40%
International Eq		13%	15%	15%
Master Limited Partnerships		5%	5%	
Real Estate	12.0%	5%	8%	10%
Convertible Sec		10%	10%	
Fixed Income	29.0%	30%	25%	25%
Private Equity	11.0%			
Strategic Investments	2.0%			
Cash Equivalents/ Short Term TIPS	1.0%			
Alternatives				10%
Total	100%	100%	100%	100%

Concentrations. The plans did not hold assets in any one organization that exceeded five percent or more of the pension plan's fiduciary net position.

Rate of Return. For the year ended September 30, 2023, the annual money-weighted rate of return on pension plan investments for the General Pension and Retirement Plan was -22.20 percent. For the year ended September 30, 2023, the Firefighters' Relief and Pension Plan was 10.45 percent and the Police Officers' Retirement Fund was 9.02 percent. This reflects the changing amounts actually invested.

Receivables. The pension plans do not have receivables from long-term contracts.

Allocated Insurance Contracts. The pension plans do not have allocated insurance contracts.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Reserves. The Police Officers' Retirement Fund has a small portion of funds deposited in a Contribution Surplus Account (\$1,214,870) as of September 30, 2023. These funds can be used to fund required contributions and possibly for benefit improvements, respectively.

Deferred Retirement Option Program (DROP)

The City has a DROP for each of the defined benefit plans established by City ordinance. A participant may join when he/she is eligible to receive a retirement benefit. The DROP provides for an accrual of interest at a 4% rate for all participants in the Firefighters' Relief and Pension Plan who entered prior to June 10, 2015 and 1.3% for those who enter thereafter, 4% for the Police Officers' Retirement Fund who entered prior to January 1, 2013 and 1.3% for those who enter thereafter and 4% for the General Pension and Retirement Plan who entered prior to October 1, 2012 and 1.3% for those who enter thereafter.

The DROP ordinance provides that all participants who entered DROP prior to October 1, 2012 may receive a Cost-of-Living Adjustment (COLA) while in DROP. Those in the Firefighters' Relief and Pension Plan may receive a Cost-of-Living Adjustment (COLA) while in DROP. However, those in the Police Officers' Retirement Fund who enter DROP on or after January 1, 2013 and those in the General Pension and Retirement Plan who entered on or after October 1, 2012 receive no COLA while in DROP.

Drop balances as of September 30, 2024 for the General Pension and Retirement Plan, Firefighters' Relief and Pension Plan and Police Officers' Retirement Fund were \$1,925,201, \$342,244, and \$706,766, respectively.

The FRS Plan has a DROP available for eligible employees. A participant may join upon reaching normal retirement. Each month the participant defers joining reduces the length of eligible participation. FRS DROP participants accrue interest at a rate of 1.3%.

Net Pension Liability

The General Pension and Retirement Plan, the Firefighters' Relief and Pension Plan and the Police Officers' Retirement Fund do not issue audited stand-alone financial statements but rely on the audit performed for the City. All three of the defined benefit pension plans are included within this financial report. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS.

The funded status of the General Pension and Retirement Plan as of September 30, 2023, the Firefighters' Relief and Pension Plan as of September 30, 2023, the Police Officers' Retirement Fund as of September 30, 2023, and the Florida Retirement System and HIS Plan as of June 30, 2024 are provided in the table on the following page.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

	General Pension	Fire Pension	Police Pension	FRS Plan	HIS Plan	Total
Total Pension Liability	\$ 172,138,950	\$ 142,246,228	\$ 146,675,304	\$ 175,189,532	\$ 11,788,268	\$ 648,038,283
Plan Fiduciary Net Position	(135,252,670)	(120,405,193)	(115,484,891)	(146,638,550)	(566,140)	(518,347,444)
Less Reserve Accounts			1,063,956			
City Net Pension Liability	<u>36,886,280</u>	<u>21,841,035</u>	<u>32,254,369</u>	<u>28,550,982</u>	<u>11,222,128</u>	<u>130,754,795</u>
Current year pension expense	6,869,067	6,201,002	5,265,345	5,478,803	975,757	24,789,974
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.57%	84.65%	78.74%	83.70%	4.80%	

Basis for Allocation. The City's proportion of the net pension liability for the FRS Plan and HIS plan was calculated based on contributions for each of the fiscal years 2023 and 2024 relative to the contributions of all participants.

On June 30, 2024, the City's FRS Plan proportionate share of net pension liability was .0738%, which was a decrease of .0028% from its proportionate share of .0766% measured as June 30, 2023. The City's HIS proportionate share of net pension liability was .0748% which was an increase of .0004% from its proportionate share .0744% measured as of June 30, 2023

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).

Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).

Changes in proportion and differences between contributions and proportionate share of contributions – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).

Differences between expected and actual earnings on pension plan investments – amortized over five years.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

The actuarial recognized pension expense, calculated in accordance with GASB 68, for the year ended September 30, 2024, is as follows: General Pension and Retirement Plan \$6,869,067; Firefighters' Relief and Pension Plan \$6,201,002; and Police Officers' Retirement Fund \$5,265,345. For the year ended September 30, 2024, the City recognized pension expense of \$5,478,803 for its proportionate share of the FRS Plan and \$975,757 for its proportionate share of the HIS plan. The total pension total pension expense for all plans was \$24,789,974.

City's total contributions \$13,221,542 made after the measurement date for the year ended September 30, 2024 are as follows: General Pension and Retirement Plan \$5,604,123 (one year of contributions); Firefighters' Relief and Pension Plan \$2,181,732; Police Officers' Retirement Fund \$4,259,293; City's proportionate share of the FRS Plan \$1,024,133 and City's proportionate share of the HIS plan \$152,261. Due to the timing of the actuarial reports, contributions made after the measurement date for the City's three pension plans covered twelve months and contributions made after the measurement date for FRS and HIS covered three months. Contributions made after the measurement date are not included as a deferred outflow of resources in the table below and will be recognized as a reduction of the net pension liability in the subsequent fiscal period. On September 30, 2024, the City reported deferred outflows of resources, excluding contributions made after the measurement date, and deferred inflows of resources related to pension from the following sources:

	General Pension		Fire Pension		Police Pension		FRS		HIS		Total	Total
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$		\$ 982,620	1,647,067	\$ 1,089,289		\$ 2,884,416		\$ 108,357	21,548	\$ 5,064,682	\$ 1,668,615
Changes of assumptions			383,772	-	-	-	3,913,173		198,605	1,328,556	4,495,550	1,328,556
Net difference between projected and actual investment earnings	14,453,750		11,646,477		9,251,450		1,897,645		4,059		35,351,677	1,901,704
Differences in Proportionate Share of Contributions							2,268,815	709,928	1,321,081	-	3,589,896	709,928
Total	\$ 14,453,750	- \$	13,012,869	1,647,067	\$ 10,340,739	- \$	9,066,404	2,607,573	\$ 1,628,043	1,354,163	\$ 48,501,805	\$ 5,608,803

Amounts reported as the net of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	General	Fire Pension	Police	FRS	HIS	Total
September 30:	Pension		Pension			
2025	3,361,977	2,203,404	2,969,127	(572,122)	44,433	8,006,819
2026	3,715,995	2,727,187	2,203,068	6,215,252	54,823	14,916,325
2027	7,761,072	6,805,461	5,604,518	453,083	79,864	20,703,998
2028	(385,294)	(370,250)	(435,974)	21,430	55,839	(1,114,249)
2029				341,187	30,425	371,612
Thereafter					8,496	8,496
Total	\$ 14,453,750	\$ 11,365,802	\$ 10,340,739	\$ 6,458,830	\$ 273,880	\$ 42,893,001

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Actuarial assumptions. The General Pension and Retirement Plan as of September 30, 2023, the Firefighters' Relief and Pension Plan as of September 30, 2023, and the Police Officers' Retirement Fund as of September 30, 2023 total pension liability was determined by an actuarial valuation and the Florida Retirement System was determined by actuarial assumptions as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement.

	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement	FRS Plan	HIS Plan
Actuarial Assumptions:					
Inflation	2.40%	2.50%	2.50%	2.40%	2.40%
Salary increases	4.50% - 9.50%	Service Based	4.00%	3.50%	3.50%
Investment rate of return	7.00%	7.75%	7.13%	6.70%	
Municipal bond rate					3.93%
Mortality	PUB-2010 Mortality table for males & females as appropriate	PUBS.H-2010	PUBS.H-2010	Generational PUB- 2010 with Projection Scale MP-2018	Generational PUB- 2010 with Projection Scale MP-2018

For the City's three defined benefit plans, the long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The long-term expected rate of return on the FRS plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

The long-term expected rate of return for each major asset class are summarized in the table below:

Asset Class:	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement	Florida Retirement System
Domestic Equity	7.16%	7.20%	7.50%	N/A
International Equity	2.92%	2.90%	8.50%	N/A
Global Equity	N/A	N/A	N/A	7.00%
Private Equity	N/A	N/A	N/A	8.80%
Master Limited Partnerships	5.06%	5.10%	4.50%	N/A
Real Estate	5.94%	5.90%	4.50%	6.80%
Convertible Sec	5.88%	5.90%	N/A	N/A
Strategic Investments	N/A	N/A	N/A	6.20%
Fixed Income	1.68%	1.70%	2.50%	5.60%
TIPS	N/A	N/A	N/A	N/A
Global Bonds	N/A	N/A	N/A	N/A
Broad Market Fixed Income	N/A	N/A	2.50%	N/A
Cash	N/A	N/A	N/A	3.30%

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Discount rate. The projection of cash flows used to determine the General Pension and Retirement Plan's 7.0% discount rate, the Firefighters' Relief and Pension Plan's 7.75% discount rate, the Police Officers' Retirement Fund's 7.125% discount rate and FRS Plan's 6.70% discount rate assumed that contributions would continue at the current rates. For all plans excluding the HIS Plan, the fiduciary net position was projected to cover all future benefit payments of current plan members. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return. The discount rate used for calculating the total HIS pension liability is equal to the single rate that results in the same actuarial present value as would be calculated by using two different discount rates for the discount at the long-term expected rate of return for benefit payments prior to the projected depletion of the fiduciary net pension (trust assets) and the discount at a municipal bond rate for benefit payments after the projected depletion date. The HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor.

General Pension
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	Liability (a) - (b)
Balances at 09/30/23	\$174,582,913	\$131,905,286	\$ 42,677,627
Changes for the year:			
Service Cost	595,038		595,038
Interest	11,756,747		11,756,747
Differences between expected and Actual Experience	(1,536,980)		(1,536,980)
Changes of Assumptions	0		0
Contributions - employer		5,599,918	(5,599,918)
Contributions - employee		258,091	(258,091)
New investment income		10,895,651	(10,895,651)
Benefit payments, including refunds of employee contributions	(13,258,768)	(13,258,768)	
Administrative expense		(147,508)	147,508
Net changes	<u>(2,443,963)</u>	<u>3,347,384</u>	<u>(5,791,347)</u>
Balances at 09/30/24	<u>\$172,138,950</u>	<u>\$135,252,670</u>	<u>\$ 36,886,280</u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Fire Pension
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	Asset (a) - (b)
Balances at 09/30/23	\$ 139,184,402	\$116,636,599	\$ 22,547,803
Changes for the year:			
Service Cost	1,670,725		1,670,725
Interest	10,515,121		10,515,121
Differences between expected and Actual Experience	1,228,275		1,228,275
Changes of assumptions	-		-
Changes in benefit terms	-		-
Contributions - employer		1,676,492	(1,676,492)
Contributions - employee		719,300	(719,300)
New investment income		11,807,357	(11,807,357)
Benefit payments, including refunds of employee contributions	(10,352,295)	(10,352,295)	
Administrative expense		(82,260)	82,260
Net changes	<u>3,061,826</u>	<u>3,768,594</u>	<u>(706,768)</u>
Balances at 09/30/24	<u>\$ 142,246,228</u>	<u>\$120,405,193</u>	<u>\$ 21,841,035</u>

Police Pension
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	Liability (a) - (b)
Balances at 09/30/23	\$141,929,617	\$109,616,680	\$ 32,312,937
Changes for the year:			
Service Cost	799,340		799,340
Interest	9,880,425		9,880,425
Differences between expected and Actual Experience	2,178,577		2,178,577
Changes in Assumptions	-		-
Contributions - employer		4,004,031	(4,004,031)
Contributions - employee		203,586	(203,586)
Contributions - buy back	-	-	-
New investment income		9,848,267	(9,848,267)
Benefit payments, including refunds of employee contributions	(8,112,655)	(8,112,655)	
Administrative expense		(75,018)	75,018
Other changes			-
Net changes	<u>4,745,687</u>	<u>5,868,211</u>	<u>(1,122,524)</u>
Less Reserve Accounts		(1,063,956)	(1,063,956)
Balances at 09/30/24	<u>\$146,675,304</u>	<u>\$114,420,935</u>	<u>\$ 32,254,369</u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Sensitivity of the net pension liability to changes in the discount rate. Below represents the net pension liability of the City, calculated using the current discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current rate:

<u>General Pension</u>	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability	\$ 53,292,455	\$ 36,886,280	\$ 22,869,534

<u>Fire Pension</u>	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
City's net pension asset	\$ 38,212,664	\$ 21,841,035	\$ 8,261,702

<u>Police Pension</u>	1% Decrease 6.13%	Current Discount Rate 7.13%	1% Increase 8.13%
City's net pension liability	\$ 49,533,787	\$ 32,254,369	\$ 16,052,268

<u>FRS</u>	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
City's net pension liability	\$ 50,220,179	\$ 28,550,983	\$ 10,398,435

<u>HIS</u>	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
City's net pension liability	\$ 12,774,953	\$ 11,222,130	\$ 9,933,036

Payable to the Pension Plan

As of September 30, 2024, the City reported a payable of \$10,100 to the General Pension and Retirement Plan, \$36,068 to the Firefighters' Relief and Pension Plan, \$8,244 to the Police Officers' Retirement Fund, \$25,649 to the FRS Plan, and \$2,554 to HIS Plan for the outstanding amount of contributions to the pension plans required for the year ended September 30, 2024

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

C. Post-Employment Benefits Other Than Pensions (OPEB)

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. The total OPEB liability is recorded at the fund level for proprietary activities and the allocated amount for governmental activities is presented at the government-wide level.

The annual OPEB cost is included in the line item of *salaries* for proprietary fund statements and is allocated by function for governmental activities on the government-wide financial statements.

General Information about the Plan

Plan Description. The City of Pensacola administers a single employer defined benefit plan which offers three plans for health care through Blue Cross Blue Shield of Florida: Health Options HMO, Blue Options PPO Health Savings Account, and BlueMedicare Group PPO. Insurance is offered to both active employees and retirees who worked for the City for a continuous six or more years and had health insurance coverage at the time of their retirement.

The City has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit costs and expenses plus any addition to the reserve for accrued costs incurred but not yet reported, as determined as part of the insurance contract. The contribution requirements of plan members are established by the City. For active employees, the City pays any remaining required amounts after the contributions of plan members are taken into account. Retired members pay the full premium associated with the coverage elected; except for General Pension and Retirement Plan participants who receive a direct subsidy from the General Pension and Retirement Plan of \$56 per month. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

The City contracted with a recognized and certified actuarial firm to provide an actuarial valuation of post-employment benefits (a copy of this report can be obtained by contacting the City of Pensacola's Financial Services Department).

Benefits provided. Post-employment benefits, such as health care, are offered on a retiree pay all basis; whereas retired members pay the full premium associated with the coverage elected, except for General Pension and Retirement Plan participants who receive a direct subsidy from the General Pension and Retirement Plan of \$56 per month. The State of Florida, per Statute 112.08(01), requires claims experience of the retiree group to be co-mingled with that of active employees in determining the health plan cost. The co-mingling of claims requirement equates to an implicit subsidy to retirees which creates an OPEB liability on the part of the City. The benefit payments recognized is due to the \$56 monthly subsidy as well as the implicit rate subsidy.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Employees covered by benefit terms. On December 31, 2022, the valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving a benefit	225
Inactive employees entitled to but not yet receiving a benefit	0
Active employees	766
Total	<u>991</u>

Total OPEB Liability

The total OPEB liability of \$11,479,196 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial assumptions or other inputs. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. As such, amounts regarding the funding status of the plan and the annual required contributions of the employer are subject to revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Significant accrual methods and assumptions for the reporting period of September 30, 2024 were as follows:

	<u>FISCAL YEAR 2024</u>
Valuation Date	12/31/2022
Inflation	2.50%
Municipal Bond Index Rate:	
Prior measurement date	3.72%
Measurement date	3.26%
Health Care Cost Trends:	
Pre-Medicare	6.50%
ultimate trend rate	4.40%
year of ultimate trend rate	2032
Post-Medicare	4.75%
ultimate trend rate	4.40%
year of ultimate trend rate	2025

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

The discount rate used to measure the total OPEB liability was based on the Bond Buyer General Obligation 20-year Municipal Bond Index published at the end of the last week during the month of December by The Bond Buyer

Mortality rates were based on the PubG.H-2010 mortality tables, with sex-distinct collar adjustments that align with the assumption used by the Florida Retirement System Pension Plan as required by 112.63(1)(f), F.S.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period of January 1, 2022 through December 31, 2022.

Changes to Total OPEB Liability

	Total OPEB Liability (a)
Balances at 12/31/22	\$ 10,921,189
Changes for the year:	
Service cost *	167,004
Interest	399,282
Changes in benefit terms	0
Differences between expected and actual experience	(108,278)
Changes in assumptions or other inputs	479,088
Benefit payments	(379,089)
Net changes	<u>558,007</u>
Balances at 12/31/23	<u><u>\$ 11,479,196</u></u>
* The service cost includes interest for the year.	

The total OPEB liability is based upon an actuarial valuation performed as of the Valuation Date, December 31, 2022. An expected total OPEB liability is determined as of December 31, 2023, the Measurement Date, using standard roll forward techniques. The roll forward calculation begins with the total OPEB liability, as of the Measurement Date, December 31, 2023, adds the annual normal cost (also called the Service Cost), interest at the Discount Rate for the year, and then subtracts the Benefit Payments for the year.

The City actuary has assumed significant changes in the Municipal Bond Index Rate between the Valuation Date and the Measurement Date. The City actuary has also assumed changes in the retirement rates and DROP entry assumptions because of the provision change from Senate Bill 7024.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

Since the Prior Measurement Date, the Discount Rate has changed from 3.72% to 3.26% due to a change in the Municipal Bond Rate.

There are no changes in benefit terms since the Prior Measurement Date.

No benefit payments are attributable to the purchase of allocated insurance contracts.

Sensitivity of the total OPEB liability to changes in the discount rate. Below represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate:

Discount Rate Sensitivity			
	1% Decrease 2.26%	Current Discount Rate 3.26%	1% Increase 4.26%
City's total OPEB liability	\$ 13,058,282	\$ 11,479,196	\$ 10,177,098

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The blended rate is comprised of the pre-Medicare health care cost trend rate is 6.50%, decreasing to 4.4% by 2032, and the post-Medicare health care cost trend rate is 4.75%, decreasing to 4.4% by 2025. Below represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percent-point lower or 1-percent-point higher than the current healthcare cost trend rates:

Health Care Cost Trend Rate Sensitivity			
	1% Decrease Blended Rate	Current Blended Rate	1% Increase Blended Rate
City's total OPEB liability	\$ 10,075,796	\$ 11,479,196	\$ 13,175,200

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized an OPEB Income of \$1,203,970. Contributions made after the measurement date for the year ended September 30, 2024, were \$251,781. Contributions made after the measurement date are not included as a deferred outflow of resources in the table below. On September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB, excluding contributions made after the measurement date, from the following sources shown on the next page:

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 8,350,173
Changes of assumptions or other inputs	2,062,436	1,965,785
Total	<u>\$ 2,062,436</u>	<u>\$ 10,315,958</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Period Ended December 31:	
2024	\$ (1,518,475)
2025	(1,633,686)
2026	(1,390,897)
2027	(1,390,897)
2028	(919,821)
Thereafter	(1,399,747)
Total	<u>\$ (8,253,523)</u>

D. Deferred Compensation/Replacement Benefit Program

The City of Pensacola also has four retirement plans which are defined contribution pension plans. These plans provide benefits at retirement to general and public safety employees of the City. On September 30, 2024 there were 336 active plan members. The plan provisions and contribution requirements are established and may be amended by the City of Pensacola City Council. The following, on the next page, is a schedule of employee and employer contributions.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

	General & Police Social Security Replacement Plan	Pension Replacement Plan	Non-Social Security Plan	Elected Officers & Part-time Employees Plan
Employee Contribution	4.7%, 5.7% or 6.7%	5.5%	\$10 minimum	7.5%
City Contributions	Matches employee's contribution up to 6.7%	0-5 yrs. of service 1.5% 5-10 yrs. of service 2.5% 10 or more years 6.5%	None	None
Employee Contribution for 9/30/24	\$1,004,323	\$32,643	\$781,053	\$-0-
City Contribution for 9/30/24	\$619,873	\$35,737	N/A	N/A

Employer and plan member contributions are recognized in the period that the contributions are due.

As required by Internal Revenue Code Section 457, the assets are held in trust for the employees' benefit. The Finance Director, selected by the government as the administrator, is responsible for the administration of the plan, including approval of certain investment alternatives (funds) which are made available to plan participants. The government has a fiduciary duty to administer the plan properly and to assure that the investment alternatives made available are reasonable. However, since plan participants select the investment fund or funds in which their deferred compensation accounts are invested, the government has no liability for investment losses which occur as a result of the investments selected by the plan participants.

E. Termination Benefits

The City of Pensacola does not offer any termination benefits to employees.

F. Litigation

The City is contingently liable with respect to other lawsuits and other claims incidental to the ordinary course of its operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of management, based on the advice of counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

G. Grant Contingencies

The City has received numerous state and federal grants. The disbursement of funds received under these programs is subject to review and audit by grantor agencies. Any disbursements disallowed by these agencies could become a liability of the City. In the opinion of management, any such claims should not have a material adverse effect on the financial position of the City.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

H. Contractual, Construction, and Equipment Commitments

The City has outstanding commitments for contractual services and for the construction and acquisition of property, plant, and equipment at year-end. The commitments represent the difference between the contract prices of the various projects and the amounts paid on each contract. Outstanding commitments by fund on September 30, 2024 were:

General Fund	\$ 2,445,009
Housing Assitances Payments	16,922
Community Maritime Park Management Services	76,197
Local Option Sales Tax	2,034,358
Utility Fund	1,851,044
Sanitation Fund	525,736
Port Fund	6,862,489
Airport Fund	86,808,361
Nonmajor Government	6,021,991
Internal Service Funds	<u>1,206,606</u>
Total	<u>\$ 107,848,713</u>

The Airport’s outstanding commitment of \$86,808,361 is mainly due to project Titan. Project Titan is the continuation of the development of a commercial aircraft maintenance, repair, and overhaul (“MRO”) campus at Pensacola International Airport that began with the occupancy of MRO Hangar 1 by VT MAE in the summer of 2018. Project Titan consists of the construction of up to three additional MRO Hangars, including warehouses/support services centers and an administrative office space, all of which will be leased to VT MAE under the Master Lease Agreement. Total cost of Project Titan is estimated not to exceed the amount of committed funds, currently totaling \$210,125,000. The first phase of which consisted of the construction of MRO Hanger 2 was completed in fiscal year 2023. The second phase of the project includes an additional hanger(s), connector taxiway, apron and parking lot which the Airport began design for in fiscal year 2023. Airport’s construction commitments will continue to be large until the project is completed.

I. Tax Abatements

The City of Pensacola provides tax abatements under the Economic Development Ad Valorem Tax Exemption (EDATE) program. The EDATE program provides tax abatements to attract and/or expand businesses within the City limits. The program was established by ordinance in accordance with Florida Statute Chapter 196.1995. The abatements are up to 100% of the assessed value of all improvements to real property made by or for the use of a new business and all tangible personal property of such new business, or up to 100% of the assessed value of all added improvements to real property made to facilitate the expansion of an existing business and the net increase in all tangible personal property acquired to facilitate such expansion of an existing business through a direct reduction of the business’s property bill. Tax abatements may be granted to any new or expanding business as defined in Florida Statute Chapter 196.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

The agreements include recapture provisions should the business receiving the tax abatement fail to meet its commitments, such as the submittal of the annual renewal application. No other commitments were made by the City as part of those agreements. For the fiscal year ended September 30, 2024, the City abated real and tangible property taxes totaling \$262,891 under the EDATE program, including the following tax abatement agreements that exceed 10 percent of the total amount abated:

- A 100% real property tax abatement to real estate company for opening an apartment complex in the enterprise zone. The abatement amounted to \$260,085.

J. Change in accounting principle

The City adopted GASB Statement No. 100, “Accounting changes and error corrections-an amendment of GASB Statement No 62.” in fiscal year 2024. The new statement requires if there is a change to or within the financial reporting entity then that change should be reported by adjusting the current reporting period’s beginning net position, fund balance, or fund net position, as applicable, for the effect of the change as if the change occurred as of the beginning of the reporting period. The City had a change to major/non-major funds. The American Rescue Plan Act Fund was no longer considered a major fund in fiscal year 2024. There was no change to the beginning fund balance because it was zero as of the end of fiscal year 2023. The Community Maritime Park Management Services Fund was considered major in fiscal year 2024 whereas it was considered non-major in the prior fiscal year. The beginning fund balance to non-major funds decreased by \$2,355,694, as well as major funds’ beginning fund balance increased by \$2,355,694, as a result of the implementation of GASB Statement No. 100.

K. Other Significant Commitments

1. *Pensacola Energy Contract – Natural Gas Purchases.* Pensacola Energy has the option under its contract with its natural gas supplier, BP Corporation North America, to exercise several hedging options for the purchase of natural gas. This hedging strategy allows Pensacola Energy to purchase a percentage of its natural gas at specified prices for future delivery. Pensacola Energy, in concurrence with its commodities consultant, decided on pricing strategies due to the volatility in the market price of natural gas. Pensacola Energy enters into these hedging contracts to protect itself against volatility in the market price of natural gas. However, due to the instability of the market, the market price to purchase natural gas may be lower than the price at which Pensacola Energy is committed to buy. Should the natural gas supplier fail to fulfill the gas hedging contracts, the terms of the contract include provisions for recovering the cost in excess of the guaranteed price from the natural gas supplier should Pensacola Energy have to procure natural gas on the open market. While Pensacola Energy does take advantage of the hedging contract, since BP Corporation North America is not required to store a set amount of natural gas for Pensacola Energy there is no financial statement value.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

2. *Multi-Use Facility Agreement.* On July 20, 2011, CMPA and Northwest Florida Professional Baseball (NFPB), the owner of the Blue Wahoos “AA” minor league baseball franchise, entered into an agreement for NFPB’s use of the baseball stadium at the Park. The term of the agreement is for 10 years, with two optional 5-year renewal periods, and requires NFPB to pay an annual use fee of \$175,000 plus attendance and variable ticket surcharges. In addition, the agreement requires that revenues collected from the variable ticket surcharge be set aside to fund capital maintenance and repairs at the Vince Whibbs Sr. Community Maritime Park. In April 2015, NFPB exercised the option to purchase the naming rights to the multi-use facility. CMPA was entitled to receive 50% of the net revenues generated from the naming rights agreement. After the dissolution of the CMPA on June 1, 2017, the Multi-Use Facility Agreement was assigned to the City.

On September 22, 2021, NFPB provided notice to the City to extend the agreement and exercise their option through March 31, 2032, utilizing both of the two (2) five (5) year renewal terms available under the agreement.

Community Redevelopment Agency (CRA)

1. *CRA Interlocal Agreement – Downtown Improvement Board.* On September 11, 2022, the Agency and the Pensacola Downtown Improvement Board (DIB) entered into an Interlocal Agreement whereby the Agency agreed to contribute to the DIB an annual amount equal to the funds paid into the Urban Core Redevelopment Trust Fund by the DIB through September 30, 2025. The primary purpose of the contribution was for the development and implementation of a downtown housing and parking strategy or any other proper functions of the DIB, provided such functions are reasonably consistent and compatible with the long-term goals and objectives outlined in the Urban Core Redevelopment Plan. The annual installments to the DIB are paid from Tax Increment Revenues derived from the Urban Core Redevelopment Area. Payments for the year ended September 30, 2024 totaled \$574,070.

2. *CRA Interlocal Agreement - Main Street Wastewater Treatment Plant.* On June 26, 2009, the City and the Agency entered into an Interlocal Agreement whereby the Agency agreed to pay the Emerald Coast Utilities Authority \$19.5 million towards the relocation of the Main Street Wastewater Treatment Plant. The obligation was recorded in fiscal year 2012 upon project completion. Annual installments to the Authority of \$1.3 million began in fiscal year 2013 and will extend through fiscal year 2027. The annual installments to the Authority will be paid from Tax Increment Revenues derived from the Urban Core Redevelopment Area and any shortfall paid by the City will be reimbursed by the Agency when funds are available. Payments for the year ended September 30, 2024 totaled \$1,300,000.

3. *CRA Interlocal Agreement – Eastside Redevelopment Loan.* On September 30, 2016, as amended on August 10, 2017, the City and the Agency entered into an Interlocal Agreement which established the terms and conditions by which the City would provide a loan to the Agency in the principal amount of \$500,000 to finance a portion of the cost associated with the design, construction and acquisition of the General Daniel “Chappie” James, Jr. Museum and Youth Flight Academy.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

The loan was made from the City's Insurance Retention Fund to the Agency's Eastside TIF District and has a thirty (30) year term with interest only being paid until the twenty (20) year Eastside Redevelopment Revenue Bond, Series 2017 has matured. Principal payments begin December 31, 2037 and end on December 31, 2045. Since the principal repayment on the loan does not start until December 31, 2037, the full interfund balance was reduced and a transfer between the Eastside TIF District Fund and the City was recorded. At the point of repayment, the full long-term liability will be recorded and the transfer reversed.

4. *CRA Interlocal Agreement – Administrative Services.* On September 22, 2017, as amended on August 13, 2019, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide administrative services to the Agency through December 31, 2045. Administrative services include personnel, financial, legal, engineering, planning, purchasing, construction, insurance, title, and construction services. All personnel assigned by the City are employees of the City and are not officers, employees, or agents of the Agency. As such, the Agency has no pension obligation, other post-employment obligations, or other liabilities related to personnel. In consideration of the services, the Agency reimburses the City based on the actual cost of services. Payments for the year ended September 30, 2024 totaled \$865,499.

5. *CRA Interlocal Agreement – Urban Core Landscape Maintenance Services.* On September 22, 2017, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide landscape maintenance services and park and public space enhancements and accessibility improvements on the Agency's behalf through December 31, 2043. These services include the cost to maintain any improvements to various public facilities within the Urban Core Community Redevelopment Area which, pursuant to the Urban Core Community Redevelopment Plan, the Agency has made. In consideration of the services, the Agency reimburses the City based on the actual cost of services. Payments for the year ended September 30, 2024 totaled \$464,312.

6. *CRA Interlocal Agreement – Eastside Landscape Maintenance Services.* On November 15, 2017, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide landscape, park, property management, leasing, accessibility improvement, public space enhancement, and facilities maintenance services on the Agency's behalf through December 31, 2045. These services include the cost to maintain any improvements to various public facilities within the Eastside Community Redevelopment Area which, pursuant to the Eastside Community Redevelopment Plan, the Agency has made. In consideration of the services, the Agency reimburses the City based on the actual cost of services. Payments for the year ended September 30, 2024 totaled \$24,337.

7. *CRA Interlocal Agreement – Community Policing Innovations.* On September 20, 2023, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide additional policing services within the Urban Core Community Redevelopment Area through September 30, 2024. These services aim to reduce crime by reducing opportunities for, and increasing perceived risk of engaging in, criminal activity through visible presence of police. In consideration of the services, the Agency reimburses the City based on the actual cost of services. Payments for the year ended September 30, 2024 totaled \$182,740.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

8. *CRA Interlocal Agreement – Community Maritime Park Stadium Improvements.* On July 23, 2021, the City and the Agency entered into an Interlocal Agreement whereby the Agency agreed to contribute up to \$2,000,000 to fund certain improvements at the Vince Whibbs Sr. Community Maritime Park Blue Wahoos Stadium. Such improvements include, but are not limited to, the conversion of the Blue Wahoos Stadium baseball field from natural grass to synthetic turf and any irrigation changes needed to accommodate the conversion, the conversion of the Blue Wahoos Stadium lights to LED, the removal of existing bullpens and construction of new bullpens, the construction of new batting cages, the purchase of additional training tables, dishwashers and surveillance equipment, internet and phone upgrades, replacement of HWC chairs, painting, repairs to seats, flooring, electrical outlets and elevators all in furtherance of maximizing the use and impact of the Vince Whibbs Sr. Community Maritime Park improvements paid for with tax increment revenues derived from the Urban Core Community Redevelopment Area. As of September 30, 2024, \$1,713,600 has been paid towards improvements for the project, life-to-date.

L. Special Items

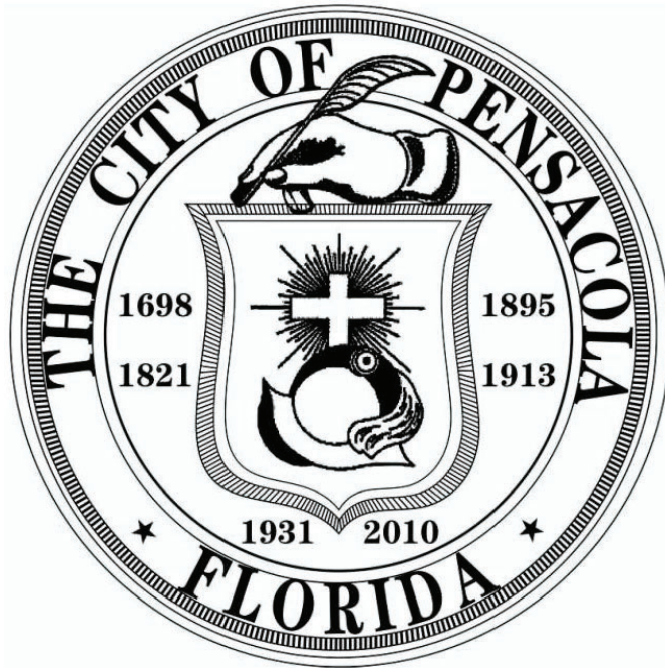
Residual equity transfer

The sanitation fund was restructured to exclude code enforcement. Part of this restructuring was to create a new fund for code enforcement. So, the residual equity transfer was a transfer of code enforcement-related fund balance from the sanitation fund to the now code enforcement fund.

Franchise Fee Lawsuit

In July 2024, a court ruling determined that the City of Pensacola had unlawfully collected franchise fees from Pensacola Energy customers since 1970. As a result, the court ordered the City to refund the improperly collected fees, including accrued interest, to affected customers. Additionally, the court mandated that the City cease charging franchise fees to all customers within city limits. The City has ended billing franchise fees to Pensacola Energy customers due to this judgement ruling.

As of September 30, 2024, no damages have been determined, and the financial impact of the refund obligation remains uncertain. The City is currently evaluating the ruling and exploring potential legal and financial options. Accordingly, no liability has been recorded in the financial statements as of the reporting date. Management will continue to monitor the situation and assess the financial impact once a damage amount is determined.



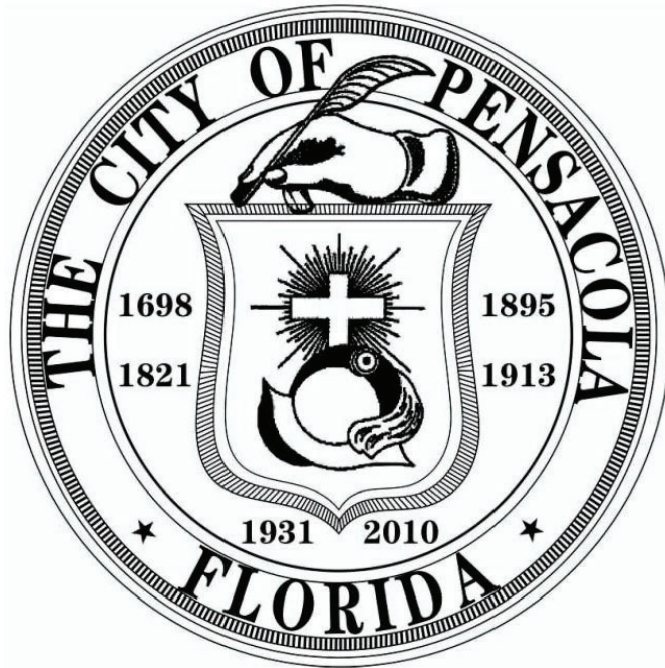
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REQUIRED SUPPLEMENTARY INFORMATION

PENSION FUNDS SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND
RELATED RATIOS, PROPORTIONATE SHARE OF THE NET PENSION LIABILITY,
EMPLOYER CONTRIBUTIONS AND
INVESTMENT RETURNS

OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

BUDGET TO ACTUAL FINANCIAL REPORTS



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CITY OF PENSACOLA, FLORIDA

GENERAL PENSION & RETIREMENT FUND

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PENSACOLA GENERAL PENSION AND RETIREMENT PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS Fiscal Year *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service Cost (BOY)	\$ 595,038	\$ 598,194	\$ 653,860	\$ 706,288	\$ 692,814	\$ 806,853	\$ 806,853	\$ 960,937	\$ 875,872	\$ 875,872
Interest	11,756,747	12,115,554	12,200,468	12,830,343	12,870,665	13,096,503	13,087,373	13,265,393	13,080,194	13,033,418
Difference between Expected & Actual Experience	(1,536,980)	(2,466,070)	-	(3,644,260)	-	3,260,021	8,088,948	1,929,586		
Changes in Assumptions	-	3,052,973	-	(62,137)						
Changes of benefit terms										
Differences between expected and actual experience										
Changes of assumptions	(13,258,768)	(13,978,631)	(14,078,231)	(13,412,714)	(13,364,040)	(13,213,824)	(14,334,373)	(13,902,080)	(13,007,151)	(13,664,554)
Refunds of member contributions	-	-	(10,529)	(23,117)	(31,267)			(82,082)	(31,304)	(82,048)
Refunds of contributions	(2,443,963)	(677,980)	(1,234,432)	(3,605,597)	168,172	1,810,289	(440,147)	1,501,389	2,847,197	168,688
Net change in total pension liability	174,582,913	175,260,893	176,495,325	180,100,922	179,932,750	178,122,461	178,562,608	177,061,219	174,214,022	174,045,334
Total pension liability - beginning	172,138,950	174,582,913	175,260,893	176,495,325	180,100,922	179,932,750	178,122,461	178,562,608	177,061,219	174,214,022
Total pension liability - ending (a)										
	\$ 5,599,918	\$ 5,599,854	\$ 5,946,411	\$ 5,946,490	\$ 6,200,753	\$ 6,200,956	\$ 6,788,208	\$ 6,788,559	\$ 6,586,144	\$ 6,586,424
Plan fiduciary net position										
Contributions - employer	238,091	266,873	279,948	285,355	294,284	305,534	341,314	360,693	375,026	388,789
Contributions - member	10,895,651	(28,860,605)	30,484,953	11,992,518	1,761,461	11,373,720	14,963,864	11,356,088	(2,230,201)	14,895,032
Net investment income	(13,258,768)	(13,978,631)	(14,078,231)	(13,412,714)	(13,364,040)	(13,199,103)	(14,334,373)	(13,902,080)	(13,007,151)	(13,664,554)
Benefit payments, including refunds of member contributions										
Health insurance assistance										
Refunds of Contributions			(10,529)	(23,117)	(31,267)	(14,721)	(134,684)	(82,082)	(31,304)	(82,048)
Administrative expense	(147,508)	(112,771)	(114,316)	(97,740)	(113,078)	(112,430)		(102,605)	(126,054)	(103,765)
Contributions - Lawsuit										
Member buybacks										
Other									2,149,812	
Net change in plan fiduciary net position	3,347,384	(37,085,280)	22,508,236	4,690,792	(5,251,887)	4,553,956	7,624,329	4,418,573	(6,283,728)	8,019,878
Plan fiduciary net position - beginning	131,905,286	168,990,567	146,482,331	141,791,539	147,043,426	142,489,470	134,865,141	130,446,568	136,730,296	128,710,418
Plan fiduciary net position - ending										
Less health care reserves	135,252,670	131,905,287	168,990,567	146,482,331	141,791,539	147,043,426	142,489,470	134,865,141	130,446,568	136,730,296
Total plan fiduciary net position (b)										
	\$ 135,252,670	\$ 131,905,287	\$ 168,990,567	\$ 146,482,331	\$ 141,791,539	\$ 147,043,426	\$ 142,489,470	\$ 134,865,141	\$ 130,446,568	\$ 136,730,296
City's net pension liability - ending (a)-(b)										
	\$ 36,886,280	\$ 42,677,626	\$ 6,270,326	\$ 30,012,994	\$ 38,309,383	\$ 32,889,324	\$ 35,632,991	\$ 43,697,467	\$ 46,614,651	\$ 37,483,726
Plan fiduciary net position as a percentage of the total pension liability	78.57%	75.55%	96.42%	83.00%	78.73%	81.72%	80.00%	75.53%	73.67%	78.48%
Covered payroll										
	4,852,230	5,076,072	5,067,293	5,258,416	5,555,159	6,174,853	6,347,558	6,901,570	6,757,461	6,961,827
City's pension liability as a percentage of covered payroll										
	760.19%	840.76%	123.74%	570.76%	689.62%	532.63%	561.37%	633.15%	689.82%	538.42%
Annual money-weighted rate of return										
	-22.20%	-17.40%	23.46%	8.46%	1.20%	8.02%	11.10%	11.20%	8.80%	-1.90%

*The amounts presented for each fiscal year were determined as of September 30th, of the prior year.

NOTE: The General Pension and Retirement Plan is a closed plan therefore the percentage of covered employee payroll will continue to increase as participants retire.

CITY OF PENSACOLA, FLORIDA
GENERAL PENSION & RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule:

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

SCHEDULE OF EMPLOYER CONTRIBUTIONS											
Last 10 Fiscal Years *											
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined employer contribution	\$ 5,599,918	\$ 5,599,854	\$ 5,599,853	\$ 5,946,411	\$ 5,946,490	\$ 6,200,753	\$ 6,200,956	\$ 6,788,208	\$ 6,788,560	\$ 7,515,167	
Actual employer contribution	5,599,918	5,599,854	5,599,854	5,946,411	5,946,490	6,200,753	6,200,956	6,788,208	6,788,560	7,515,167	
Annual contribution deficiency (excess)	\$ 0	\$ 0	\$ (1)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Covered payroll	\$ 4,919,803	\$ 4,852,230	\$ 5,076,072	\$ 5,089,969	\$ 5,067,293	\$ 5,258,416	\$ 5,555,159	\$ 6,174,853	\$ 6,347,558	\$ 6,901,570	
Actual contributions as a % of covered payroll	113.82%	115.41%	110.32%	116.83%	117.35%	117.92%	111.63%	109.93%	106.95%	108.89%	
2014 actuarially determined employer contribution includes \$553,997 in prepaid reserves and excludes \$71,761 in health care contributions.											
Current year covered payroll is not actuarially determined therefore subject to change in future years.											
* Based on contributions made during the fiscal year noted.											

CITY OF PENSACOLA, FLORIDA

GENERAL PENSION & RETIREMENT FUND

REQUIRED SUPPLEMENTARY INFORMATION

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	9/30/2023	9/30/2022	9/30/2020	9/30/2020	9/30/2018	9/30/2018	9/30/2016	9/30/2016	9/30/2015	9/30/2014
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed
Remaining Amortization Period	7 years	7 years	7 years	7 years	8 years	9 years	10 years	11 years	12 years	13 years
Asset Valuation Method	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market
Actuarial Assumptions:										
Inflation	2.40%	2.40%	2.40%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Salary increase	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%
Investment rate of return	7.2%, net of pension plan investment expense, including inflation	7.2%, net of pension plan investment expense, including inflation	7.2%, net of pension plan investment expense, including inflation	7.2%, net of pension plan investment expense, including inflation	7.4%, net of pension plan investment expense, including inflation	7.4%, net of pension plan investment expense, including inflation	7.6%, net of pension plan investment expense, including inflation	7.6%, net of pension plan investment expense, including inflation	7.8%, net of pension plan investment expense, including inflation	7.8%, net of pension plan investment expense, including inflation
Cost of living adjustments	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%
Mortality Rates	PUB-2010 Headcount Weighted	PUB-2010 Headcount Weighted	PUB-2010 Headcount Weighted	PUB-2010 Headcount Weighted	RP-2000 Generational Annuity Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuity Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuity Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuity Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP 2000 Combined Healthy set forward 5 years for males and RP 2000 combined Healthy for females	RP 2000 Combined Healthy set forward 5 years for males and RP 2000 combined Healthy for females

CITY OF PENSACOLA, FLORIDA

FIREFIGHTER'S RELIEF & PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Fiscal year *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost (BOY)	\$ 1,670,725	\$ 1,569,316	\$ 1,497,129	\$ 1,288,728	\$ 1,290,959	\$ 1,263,734	\$ 1,317,501	\$ 1,340,661	\$ 1,189,882	\$ 1,578,378
Interest	10,515,121	10,483,664	10,322,867	9,985,729	9,887,893	9,735,179	9,731,641	9,995,671	9,016,289	9,116,288
Difference between Expected and Actual Experience	1,228,275	(1,024,615)	(1,424,849)	(511,791)	(87,339)	260,034	(3,442,328)	(482,293)	30,585	
Changes in Assumptions	-	-	-	19,889	(1,793)	-	967,856	802,234	7,780,467	
Contributions - Buy Back	-	-	411,685	-	-	-	-	44,064	(408,439)	
Benefit payments, including refunds of member contributions	(10,352,295)	(9,061,274)	(8,497,992)	(9,404,872)	(10,188,894)	(8,438,858)	(8,511,653)	(8,929,344)	(6,788,324)	(8,163,106)
Net change in total pension liability	3,061,826	1,337,091	2,308,840	3,246,653	900,826	2,820,089	63,017	2,371,093	71,484,400	2,531,760
Total pension liability - beginning	139,184,402	137,847,311	135,538,471	132,291,818	131,390,992	128,570,903	128,507,886	126,136,793	118,988,333	116,456,573
Total pension liability - ending (a)	\$ 142,246,228	\$ 139,184,402	\$ 137,847,311	\$ 135,538,471	\$ 132,291,818	\$ 131,390,992	\$ 128,570,903	\$ 128,507,886	\$ 126,136,793	\$ 118,988,333
Plan fiduciary net position										
Contributions - employer	\$ 1,676,492	\$ 1,995,497	\$ 1,898,060	\$ 1,720,961	\$ 1,658,203	\$ 2,009,062	\$ 2,336,545	\$ 3,826,740	\$ 4,334,264	\$ 3,649,568
Contributions - member	719,300	732,734	619,231	543,443	505,660	480,066	449,131	421,774	474,193	457,362
Contributions - Buy Back								44,064		
Net investment income	11,807,357	(26,186,134)	28,553,234	13,110,520	3,440,824	10,905,810	12,473,832	9,928,990	(1,770,463)	10,980,094
Benefit payments, including refunds of member contributions	(10,352,295)	(9,061,274)	(8,497,992)	(9,404,872)	(10,188,894)	(8,438,858)	(8,511,653)	(8,929,344)	(6,788,324)	(8,163,106)
Administrative expense	(82,260)	(73,987)	(65,256)	(75,305)	(73,186)	(93,728)	(90,536)	(105,921)	(92,822)	(131,363)
Other							81,471			
Net change in plan fiduciary net position	3,768,594	(32,593,164)	22,507,277	5,894,847	(4,657,393)	4,862,352	6,738,790	5,186,303	(3,843,152)	6,792,355
Plan fiduciary net position - beginning	116,636,599	149,229,764	126,722,487	120,827,640	125,485,033	120,622,681	113,883,891	108,697,588	112,540,740	106,396,777
Plan fiduciary net position - ending	\$ 120,405,193	\$ 116,636,600	\$ 149,229,764	\$ 126,722,487	\$ 120,827,640	\$ 125,485,033	\$ 120,622,681	\$ 113,883,891	\$ 108,697,588	\$ 113,189,132
Less reserve account	-	-	-	-	-	-	-	-	-	648,392
Total plan fiduciary net position (b)	\$ 120,405,193	\$ 116,636,600	\$ 149,229,764	\$ 126,722,487	\$ 120,827,640	\$ 125,485,033	\$ 120,622,681	\$ 113,883,891	\$ 108,697,588	\$ 112,540,740
City's net pension liability - ending (a)-(b)	\$ 21,841,035	\$ 22,547,802	\$ (11,382,453)	\$ 8,815,984	\$ (11,464,178)	\$ 5,905,959	\$ 7,948,222	\$ 14,623,995	\$ 17,439,205	\$ 6,447,593
Plan fiduciary net position as a percentage of the total pension liability	84.65%	83.80%	108.26%	95.59%	91.33%	95.51%	93.82%	88.62%	86.17%	94.88%
Covered payroll	6,529,377	6,661,211	5,629,353	4,940,394	4,596,890	4,364,222	4,082,999	3,883,492	7,494,588	4,157,835
City's pension liability as a percentage of covered payroll	345.07%	338.49%	-202.20%	178.45%	249.39%	135.33%	194.67%	381.40%	232.70%	155.07%
Annual mono-weighted rate of return	10.45%	-17.88%	22.94%	11.12%	2.83%	9.20%	11.14%	9.18%	-1.56%	10.16%

* The amounts presented for each fiscal year were determined as of September 30th, of the prior year.

NOTE: Information is presented for those years in which information is available.

CITY OF PENSACOLA, FLORIDA
FIREFIGHTER'S RELIEF & PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule:

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

FIREFIGHTERS' RELIEF & PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last 10 Fiscal Years *											
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined employer contribution	\$ 1,342,706	\$ 1,342,706	\$ 1,979,502	\$ 1,837,352	\$ 1,711,806	\$ 1,644,078	\$ 1,993,643	\$ 2,321,285	\$ 3,822,480	\$ 4,334,264	
Actual employer contribution	1,676,492	1,342,706	1,995,497	1,898,060	1,720,961	1,658,203	2,009,062	2,336,545	3,826,740	4,334,264	
Annual contribution deficiency (excess)	\$ (333,786)	\$ 0	\$ (15,995)	\$ (60,708)	\$ (9,155)	\$ (14,125)	\$ (15,419)	\$ (15,260)	\$ (4,260)	\$ 0	
Covered payroll	\$ 6,539,077	\$ 6,329,377	\$ 6,611,211	\$ 5,629,353	\$ 4,939,900	\$ 4,596,890	\$ 4,364,222	\$ 4,082,999	\$ 3,834,292	\$ 7,494,388	
Actual contributions as a % of covered payroll	25.64%	21.21%	30.18%	33.72%	34.84%	36.07%	46.03%	57.23%	99.80%	57.83%	
2014 actuarially determined employer contribution excludes \$551,981 in current year prepaid reserves.											
Current year covered payroll is not actuarially determined therefore subject to change in future years.											
* Based on contributions made during the fiscal year noted.											

NOTE: Information is presented for those years in which information is available.

CITY OF PENSACOLA, FLORIDA

FIREFIGHTER'S RELIEF & PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	10/1/2023	10/1/2022	10/1/2021	10/1/2020	10/1/2019	10/1/2018	10/1/2017	10/1/2016	10/1/2015	10/1/2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	New UAAL amortization bases are amortized over 15 years	New UAAL amortization bases are amortized over 15 years	New UAAL amortization bases are amortized over 15 years	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Remaining Amortization Period	12	12	12	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Asset Valuation Method	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period
Actuarial Assumptions:										
Inflation	2.50%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	3.00%	3.00%
Salary increase	Service Based	Service Based	Service Based	5.5%-12.68%	5.5%-12.68%	5.5%-12.68%	5.5%-12.68%	5.5%-12.68%	5.5%-12.68%	5.5%-13.95%
Investment rate of return	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	8.00%
Cost of living adjustments	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%
Mortality:	PUBS.H-2010	PUBS.H-2010	PUBS.H-2010	RP-2000 Generational Ammutant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Ammutant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Ammutant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Ammutant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Ammutant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP 2000 Combined Healthy Projected to 2011 Sex Distinct	1994 UP Mortality Projected to 2006 - Sex Distinct

NOTE: Information is presented for those years in which information is available.

CITY OF PENSACOLA, FLORIDA

POLICE OFFICERS' RETIREMENT FUND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Fiscal Year *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost (BOY)	\$ 799,340	\$ 794,084	\$ 785,361	\$ 825,932	\$ 786,760	\$ 816,071	\$ 761,793	\$ 912,596	\$ 818,742	\$ 860,340
Interest	9,880,425	9,893,600	9,624,254	9,511,040	9,193,908	8,949,790	8,977,910	8,876,315	8,151,071	8,151,071
Differences between expected and actual experience	2,178,577	(2,541,190)	1,350,334	699,810	1,361,896	(1,978,840)	(2,653,681)	312,274	3,122,74	866,959
Changes of assumptions	-	-	-	(1,978,840)	-	-	-	-	6,217,609	3,431,350
Contributions - buy back	-	-	-	51,726	-	47,123	41,367	(7,539,629)	(6,446,003)	(5,994,107)
Benefit payments, including refunds of member contributions	(8,112,655)	(8,560,682)	(7,416,057)	(7,544,199)	(6,317,326)	(6,397,599)	(8,755,072)	-	-	-
Net change in total pension liability	4,745,687	(414,188)	4,343,892	1,565,469	5,025,238	3,415,385	(1,627,683)	2,249,282	9,293,135	7,315,613
Total pension liability - beginning	141,929,617	142,343,805	137,999,913	136,434,444	131,409,206	127,993,821	129,621,504	127,372,222	118,079,087	110,763,474
Total pension liability - ending (a)	\$ 146,675,304	\$ 141,929,617	\$ 142,343,805	\$ 137,999,913	\$ 136,434,444	\$ 131,409,206	\$ 127,993,821	\$ 129,621,504	\$ 127,372,222	\$ 118,079,087
Plan fiduciary net position										
Contributions - employer	\$ 3,248,120	\$ 3,972,023	\$ 4,157,135	\$ 4,254,519	\$ 4,445,468	\$ 4,528,544	\$ 4,331,190	\$ 3,830,736	\$ 3,830,839	\$ 3,825,656
Contributions - member	203,586	214,372	215,050	219,429	211,533	209,565	218,457	227,357	240,097	156,000
Net investment income	9,848,267	(20,777,957)	24,880,274	9,020,508	4,289,802	9,429,700	11,614,044	8,651,676	(2,362,487)	6,881,022
Benefit payments, including refunds of member contributions	(8,112,655)	(8,560,682)	(7,416,057)	(7,544,199)	(6,317,326)	(6,397,599)	(8,755,072)	(7,539,629)	(6,446,003)	(5,994,107)
Administrative expense	(75,018)	(66,997)	(48,522)	(38,631)	(48,723)	(52,447)	(115,371)	(93,853)	(82,441)	(69,051)
State Insurance	755,911	683,116	640,286	623,811	601,682	572,693	542,277	533,483	512,808	473,283
Member buybacks	-	-	-	51,726	-	47,123	41,367	-	-	12,024
Net change in plan fiduciary net position	5,868,211	(24,536,125)	22,428,166	6,387,163	3,182,436	8,337,579	7,876,892	5,609,770	(4,307,187)	5,284,827
Plan fiduciary net position - beginning	109,616,680	134,152,805	111,724,639	105,137,476	101,955,040	93,617,461	85,740,569	80,130,799	84,437,986	79,153,159
Plan fiduciary net position - ending	115,484,891	109,616,680	134,152,805	111,724,639	105,137,476	101,955,040	93,617,461	85,740,569	80,130,799	84,437,986
LESS RESERVE ACCOUNTS	1,063,956	966,951	878,884	769,559	668,865	371,687	775,007	1,168,510	1,203,293	1,097,405
Total Plan fiduciary net position (b)	\$ 114,420,935	\$ 108,649,729	\$ 133,273,921	\$ 110,955,080	\$ 104,468,611	\$ 101,583,353	\$ 92,842,454	\$ 84,572,059	\$ 78,927,506	\$ 83,340,581
City's net pension liability - ending (a)-(b)	\$ 32,254,369	\$ 33,279,888	\$ 9,069,884	\$ 27,044,833	\$ 31,965,833	\$ 29,825,853	\$ 35,151,367	\$ 45,049,445	\$ 48,444,716	\$ 34,738,506
Plan fiduciary net position as a percentage of the total pension liability	78.7%	77.2%	94.3%	81.0%	77.1%	77.3%	72.5%	65.2%	62.0%	70.6%
Covered payroll	\$ 4,037,524	\$ 4,122,527	\$ 4,135,565	\$ 4,219,813	\$ 4,067,890	\$ 4,030,069	\$ 4,201,063	\$ 4,372,250	\$ 4,423,864	\$ 4,466,862
City's pension liability as a percentage of covered payroll	798.9%	807.3%	219.3%	640.9%	785.8%	740.1%	836.7%	1030.3%	1095.1%	777.7%
Annual money-weighted rate of return	9.02%	-15.52%	22.47%	8.50%	4.15%	9.92%	13.48%	11.11%	-2.34%	9.00%

* The amounts presented for each fiscal year were determined as of September 30th, of the prior year.

NOTE: The Police Officers' Retirement Fund is a closed plan therefore the percentage of covered employee payroll will continue to increase as participants retire.

**CITY OF PENSACOLA, FLORIDA
POLICE OFFICERS' RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION**

Notes to Schedule:

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

SCHEDULE OF EMPLOYER CONTRIBUTIONS											
Last 10 Fiscal Years *											
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined employer contribution	\$ 3,884,353	\$ 3,884,353	\$ 4,591,571	\$ 4,797,421	\$ 4,878,329	\$ 5,047,150	\$ 5,101,237	\$ 4,873,467	\$ 4,364,219	\$ 4,343,646	
Actual employer contribution	3,884,353	3,884,353	4,655,139	4,797,421	4,878,329	5,047,150	5,101,237	4,873,467	4,364,219	4,343,646	
Annual contribution deficiency (excess)	\$ 0	\$ 0	\$ (63,568)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Covered payroll	\$ 3,915,130	\$ 4,037,524	\$ 4,122,527	\$ 4,135,576	\$ 4,219,795	\$ 4,067,890	\$ 4,030,089	\$ 4,201,063	\$ 4,372,250	\$ 4,423,864	
Actual contributions as a % of covered payroll	99.21%	96.21%	112.92%	116.00%	115.61%	124.07%	126.58%	116.01%	99.82%	98.19%	
Current year covered payroll is not actuarially determined therefore subject to change in future years.											
Contributions do not include amounts drawn down from reserves.											
* Based on contributions made during the fiscal year noted.											

CITY OF PENSACOLA, FLORIDA
POLICE OFFICERS' RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	10/1/2023	10/1/2022	10/1/2021	10/1/2020	10/1/2019	10/1/2018	10/1/2017	10/1/2016	10/1/2015	10/1/2014
Actuarial cost method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age
Amortization method	New UAAL	New UAAL	New UAAL	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount
Remaining Amortization Period	15	10	10	11	12	13 years	14 years	15 years	16 years	17 years
Asset Valuation Method	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index
Actuarial Assumptions:										
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary increase	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Investment rate of return	7.125%	7.125%	7.125%	7.125%	7.125%	7.125%	7.125%	7.125%	7.125%	7.25%
Cost of living adjustments	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Mortality Rates	PUBS.H-2010	PUBS.H-2010	PUBS.H-2010	PUBS.H-2010	RP-2000 Healthy Ammutant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Ammutant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Ammutant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Ammutant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Ammutant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Ammutant for Males or Females with adjustments for mortality improvements based on Scale BB

CITY OF PENSACOLA, FLORIDA
FLORIDA RETIREMENT SYSTEM PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION

	SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY									
	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the FRS net pension liability (asset)	0.073804322%	0.076552186%	0.073462936%	0.067580322%	0.059663066%	0.053026148%	0.049432047%	0.045283952%	0.041335299%	0.039418763%
City's proportion of the FRS net pension liability (asset)	\$ 28,550,983	\$ 30,503,623	\$ 27,334,115	\$ 5,104,925	\$ 25,858,852	\$ 18,949,722	\$ 14,889,189	\$ 13,394,689	\$ 10,487,195	\$ 5,091,462
Covered payroll	\$ 33,311,629	\$ 28,688,445	\$ 25,635,863	\$ 22,838,497	\$ 21,417,967	\$ 19,573,461	\$ 17,140,563	\$ 15,295,017	\$ 12,840,904	\$ 12,296,508
City's pension liability as a percentage of covered payroll	85.7%	106.3%	106.6%	22.4%	120.7%	96.8%	86.9%	87.6%	81.3%	41.4%
Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year.

	SCHEDULE OF EMPLOYER CONTRIBUTIONS									
	Last 10 Fiscal Years									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined employer contribution	\$ 4,179,268	\$ 3,682,652	\$ 3,134,797	\$ 2,574,518	\$ 1,982,339	\$ 1,706,208	\$ 1,453,249	\$ 1,210,082	\$ 1,099,355	\$ 978,143
Actual employer contribution	4,179,268	3,682,652	3,134,797	2,574,518	1,982,339	1,706,208	1,453,249	1,210,082	1,099,355	978,143
Annual contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll	\$ 32,932,227	\$ 32,119,766	\$ 28,415,317	\$ 25,403,511	\$ 22,014,597	\$ 20,065,477	\$ 17,140,563	\$ 15,295,017	\$ 12,840,904	\$ 12,296,508
Actual contributions as a % of covered payroll	12.69%	11.47%	11.03%	10.13%	9.00%	8.50%	8.48%	7.91%	8.56%	7.95%

NOTE: The amounts presented were determined as of September 30, the end of the City of Pensacola's fiscal year.

CITY OF PENSACOLA, FLORIDA

FLORIDA RETIREMENT SYSTEM PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule:

Method and assumptions used in calculations of actuarially determined contributions. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Ultimate Entry Age Normal	Individual Entry Age	Individual Entry Age
Asset Valuation Method	Level Percentage Closed, Layered 20 years	Level Percentage Closed, Layered 20 years	Level Percentage Closed, Layered 20 years	Level Percentage Closed, Layered 20 years	Level Percentage Closed, Layered 25 years	Level Percentage Closed, Layered 30 years	Level Percentage Closed, Layered 30 years	Level Percentage Closed, Layered 30 years	Level Dollar Amount Closed 30 years	Level Dollar Amount Closed 30 years
Asset Valuation Method										
Actuarial Assumptions:										
Inflation	2.40%	2.40%	2.40%	2.40%	2.40%	2.60%	2.60%	2.60%	2.60%	2.60%
Salary increase	Varies	Varies	Varies	Varies	Varies	Varies	3.25%	3.25%	3.25%	3.25%
Investment rate of return	6.70%	6.70%	6.70%	7.00%	7.00%	6.90%	7.00%	7.10%	7.60%	7.65%
Cost of living adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mortality Rates	Generational PUB-2010 with Scale MP-2018	Generational PUB-2010 with Scale MP-2018	Generational PUB-2010 with Scale MP-2018	Generational PUB-2010 with Scale MP-2018	Generational PUB-2010 with Scale MP-2018	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year.

CITY OF PENSACOLA, FLORIDA
FRS RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY Fiscal Year										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the HIS net pension liability (asset)	0.074809327%	0.074430476%	0.070189581%	0.064240703%	0.055541371%	0.051069262%	0.047519167%	0.043820246%	0.041586882%	0.040531215%
City's proportion of the HIS net pension liability (asset)	\$ 11,222,130	\$ 11,820,551	\$ 7,434,198	\$ 7,880,088	\$ 6,781,511	\$ 5,714,139	\$ 5,029,482	\$ 4,685,463	\$ 4,846,779	\$ 4,133,546
Covered payroll	\$ 31,667,900	\$ 29,495,000	\$ 25,584,699	\$ 22,747,410	\$ 19,281,404	\$ 18,165,949	\$ 15,524,948	\$ 13,972,362	\$ 12,840,904	\$ 12,296,508
City's pension liability as a percentage of covered payroll	35.4%	40.1%	29.1%	34.6%	35.2%	31.5%	32.4%	33.5%	37.7%	33.6%
Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year.

SCHEDULE OF EMPLOYER CONTRIBUTIONS Last 10 Fiscal Years										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined employer contribution	\$ 633,358	\$ 489,617	\$ 424,706	\$ 377,607	\$ 320,059	\$ 283,583	\$ 262,412	\$ 241,173	\$ 221,345	\$ 169,762
Actual employer contribution	633,358	489,617	424,706	377,607	320,059	283,583	262,412	241,173	221,345	169,762
Annual contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll	\$ 33,380,670	\$ 31,229,539	\$ 27,149,190	\$ 24,148,144	\$ 20,493,766	\$ 18,244,421	\$ 15,596,591	\$ 14,039,291	\$ 12,840,904	\$ 12,296,508
Actual contributions as a % of covered payroll	1.90%	1.57%	1.56%	1.56%	1.56%	1.55%	1.68%	1.72%	1.72%	1.38%

NOTE: The amounts presented were determined as of September 30, the end of the City of Pensacola's fiscal year.

CITY OF PENSACOLA, FLORIDA
FRS RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM
REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule:

Method and assumptions used in calculations of actuarially determined contributions. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

Valuation Date	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Actuarial Cost Method	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Asset Valuation Method	Individual Entry Age Fair Market Value	Individual Entry Age Fair Market Value	Individual Entry Age Fair Market Value	Individual Entry Age Fair Market Value	Individual Entry Age Fair Market Value	Individual Entry Age Fair Market Value	Individual Entry Age Fair Market Value	Individual Entry Age Fair Market Value	Individual Entry Age Fair Market Value	Individual Entry Age Level Dollar Amount
Actuarial Assumptions:										30 years
Inflation	2.40%	2.40%	2.40%	2.40%	2.40%	2.60%	2.60%	2.60%	2.60%	260.00%
Salary increase	3.50%	3.25%	3.25%	Varies	Varies	Varies	3.25%	3.25%	3.25%	325.00%
Discount rate	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%	2.85%	7.65%
Cost of living adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mortality Rates	Generational PUB-2010 with Projection Scale MP- 2018	Generational PUB-2010 with Projection Scale MP- 2018	Generational PUB-2010 with Projection Scale MP- 2018	Generational PUB-2010 with Projection Scale MP- 2018	Generational PUB-2010 with Projection Scale MP- 2018	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year.

CITY OF PENSACOLA, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS**

	Fiscal Year					
	2024	2023	2022	2021	2020	2019
Total OPEB liability						
Service Cost	\$ 167,004	\$ 232,568	\$ 223,125	\$ 133,896	\$ 91,439	\$ 101,187
Interest	399,282	373,467	380,268	593,862	977,708	895,230
Difference between Expected & Actual Experience	(108,278)	(5,052,820)	(130,766)	(5,711,095)	(5,486,957)	(392,192)
Changes in Assumptions or Other Inputs	479,088	(2,546,519)	160,291	1,074,050	2,968,014	(2,748,991)
Changes of benefit terms	-	-	-	642,604	-	-
Benefit payments	(379,089)	(427,813)	(453,204)	(485,747)	(610,816)	(351,400)
Net change in total OPEB liability	558,007	(7,421,117)	179,714	(3,752,430)	(2,060,612)	(2,496,166)
Total OPEB liability - beginning	10,921,189	18,342,306	18,162,592	21,915,023	23,975,635	26,471,801
Total OPEB liability - ending	\$ 11,479,196	\$ 10,921,189	\$ 18,342,306	\$ 18,162,593	\$ 21,915,023	\$ 23,975,635
Covered-employee payroll	40,714,189	40,714,189	34,492,658	34,492,658	27,368,943	26,571,789
						23,130,270

Notes to Schedule:

Changes in benefit terms: There are no changes in benefit terms since the Prior Measurement Date.

Changes in assumptions: Changes in assumptions and other inputs reflect the effects in the discount rate each period. The following are the discount rates used in each period:

2018	3.43%	2022	2.06%
2019	4.13%	2023	3.72%
2020	2.74%	2024	3.26%
2021	2.12%		

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

NOTE: Information is presented for those years in which information is available.

BUDGET TO ACTUAL SCHEDULES
MAJOR GOVERNMENTAL FUNDS

CITY OF PENSACOLA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Taxes	\$ 37,362,900	\$ 37,362,900	\$ 38,337,891	\$ 974,991
Licenses and permits	139,800	139,800	178,984	39,184
Franchise fees	9,926,400	9,926,400	9,615,200	(311,200)
Intergovernmental	9,176,000	9,176,000	9,458,316	282,316
Charges for services	1,663,800	2,976,102	1,670,605	(1,305,497)
Fines and forfeits	141,100	141,100	98,609	(42,491)
Assessments		100,000	27,969	(72,031)
Interest income	220,000	220,000	1,508,785	1,288,785
Donations			201,835	201,835
Other	475,000	490,000	847,480	357,480
Total revenues	<u>59,105,000</u>	<u>60,532,302</u>	<u>61,945,674</u>	<u>1,413,372</u>
Expenditures:				
Current -				
General government	11,024,300	11,529,483	8,958,448	2,571,035
Public safety	40,064,300	41,907,675	41,659,319	248,356
Transportation	3,512,200	5,553,646	4,228,283	1,325,363
Culture and recreation	9,206,500	9,676,600	8,800,863	875,737
Economic environment	425,500	999,461	426,289	573,172
Physical environment		100,000	200	99,800
Human services	10,000	10,000		10,000
Capital outlay		1,181,856	514,429	667,427
Total expenditures	<u>64,242,800</u>	<u>70,958,721</u>	<u>64,587,831</u>	<u>6,370,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,137,800)</u>	<u>(10,426,419)</u>	<u>(2,642,157)</u>	<u>7,784,262</u>
Other financing sources (uses):				
Transfers in	11,137,600	11,137,600	11,137,600	-
Transfers (out)	(7,800,300)	(7,800,300)	(7,800,143)	157
Sale of capital assets	50,000	128,275	220,363	92,088
Total other financing sources (uses)	<u>3,387,300</u>	<u>3,465,575</u>	<u>3,557,820</u>	<u>92,245</u>
Net change in fund balances	<u>\$ (1,750,500)</u>	<u>\$ (6,960,844)</u>	<u>915,663</u>	<u>\$ 7,876,507</u>
Fund balances at beginning of year			<u>31,236,071</u>	
Fund balances at end of year			<u>\$ 32,151,734</u>	

CITY OF PENSACOLA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOUSING ASSISTANCE PAYMENTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues :				
Intergovernmental	\$ 23,020,500	\$ 26,816,600	\$ 20,404,053	\$ (6,412,547)
Interest income			57,986	57,986
Other	8,600	8,600	50	(8,550)
Total revenues	<u>23,029,100</u>	<u>26,825,200</u>	<u>20,462,089</u>	<u>(6,363,111)</u>
Expenditures :				
Current -				
Economic environment	23,463,700	20,474,317	20,474,317	0
Capital outlay	32,000	64,836	64,836	0
Total expenditures	<u>23,495,700</u>	<u>20,539,153</u>	<u>20,539,153</u>	<u>0</u>
Other financing sources (uses):				
Sale of capital asset			538	538
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>538</u>	<u>538</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(466,600)</u>	<u>6,286,047</u>	<u>(76,526)</u>	<u>(6,362,573)</u>
Net change in fund balances	<u>\$ (466,600)</u>	<u>\$ 6,286,047</u>	<u>(76,526)</u>	<u>\$ (6,362,573)</u>
Fund balances at beginning of year			<u>2,179,251</u>	
Fund balances at end of year			<u>\$ 2,102,725</u>	

CITY OF PENSACOLA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY MARITIME PARK (CMP) MANAGEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,025,500	\$ 1,025,500	\$ 723,671	\$ (301,829)
Interest Income			146,671	146,671
Donations			50,256	50,256
Other			222	222
Total revenues	<u>1,025,500</u>	<u>1,025,500</u>	<u>920,820</u>	<u>(104,680)</u>
Expenditures:				
Current -				
Culture and recreation	1,081,000	1,576,875	1,098,928	477,947
Capital outlay		240,047	220,388	19,659
Total expenditures	<u>1,081,000</u>	<u>1,816,922</u>	<u>1,319,316</u>	<u>497,606</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(55,500)</u>	<u>(791,422)</u>	<u>(398,496)</u>	<u>392,926</u>
Net change in fund balances	<u>\$ (55,500)</u>	<u>\$ (791,422)</u>	<u>(398,496)</u>	<u>\$ 392,926</u>
Fund balances at beginning of year			<u>2,355,694</u>	
Fund balances at end of year			<u>\$ 1,957,198</u>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

General Budget Policies

In accordance with the City Charter, the Mayor prepares and submits the annual budget and capital program to City Council. Once the budget is adopted by City Council, budget amendments are administered in accordance with Chapter 166.241, Florida Statutes, and the procedure established in the Financial Planning and Administration Policy adopted by City Council Resolution.

The Budget Policies outlined in the Financial Planning and Administration Policy allow the Mayor (or designee) to authorize budget amendments if the total appropriations of the fund are not changed. Specifically, the Mayor (or designee) shall have the authority to transfer appropriations between expenditure categories and between departments or programmatic activities except that amounts appropriated for capital outlay cannot be transferred to any other expenditure category provided no transfer shall be made from the appropriations that are contrary to Florida Law. Further, management has established budgetary control within each fund at the line-item level.

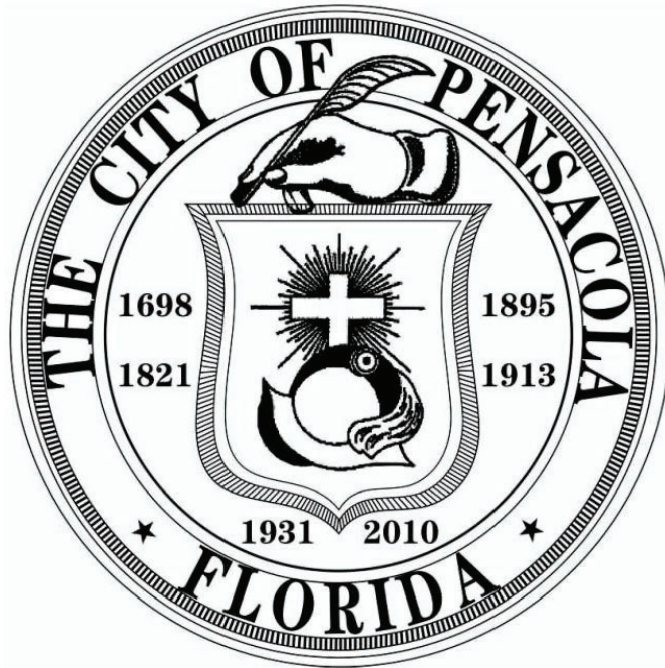
Authorized staff within each department may request budget amendments between line items or between departments within a fund subject to final determination by the Finance Director as the Mayor's designee.

Additionally, in accordance with Chapter 166.241, Florida Statutes, appropriations within a fund may only be decreased or increased by resolution with City Council approval. Expenditures for each fund may not legally exceed the total fund appropriation.

A legally adopted budget is employed as a control device for the General Fund, Special Revenue Funds, and Debt Service Funds. Enterprise, Capital Projects, and Internal Service Funds are budgeted on a limited non-GAAP basis for management control purposes.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. The budget for the subsequent year provides a re-appropriation of funds to complete transactions for outstanding encumbrances.



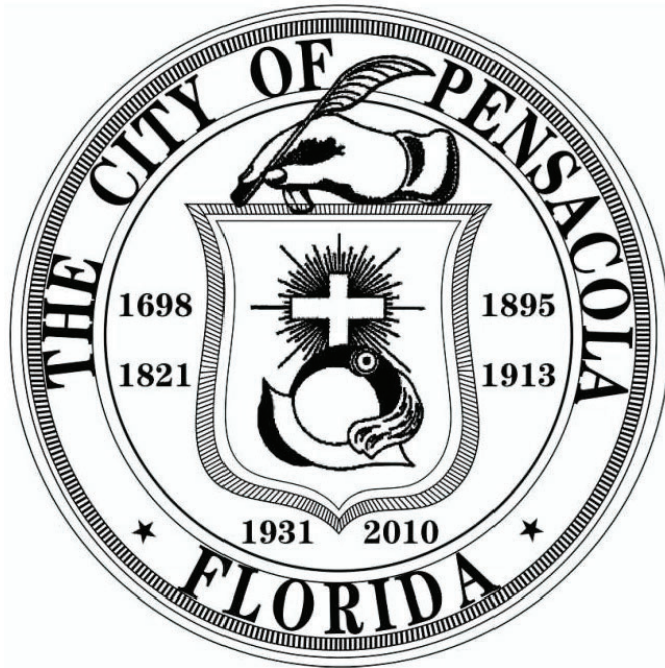
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COMBINING FINANCIAL STATEMENTS

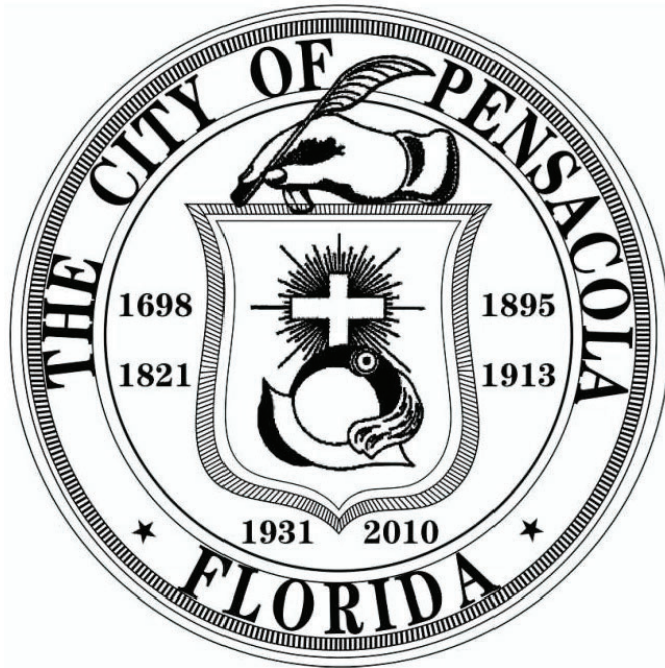
NONMAJOR GOVERNMENTAL FUNDS

INTERNAL SERVICE FUNDS

FIDUCIARY FUNDS



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**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Special Revenue Funds			
	Special Grants	Local Option Gasoline Tax	Community Development Block Grant	Community Redevelopment Agency
ASSETS				
Cash and cash equivalents	\$	\$ 347,309	\$ 2,382	\$ 3,824,936
Other cash			6,169	
Investments		438,855	9,179	4,833,133
Accrued Interest				3
Accounts receivable				5,136
Due from other funds				
Due from other governments	1,236,677	130,015	133,021	
Prepays and deposits				1,026
Inventory				
Notes receivable	460,507		228,670	
Lease Receivable				3,936
Restricted assets				
Cash and cash equivalents				454,921
Investments				574,831
Total assets	\$ 1,697,184	\$ 916,179	\$ 379,421	\$ 9,697,922
LIABILITIES				
Accounts payable	\$ 18,644	\$	\$ 14,810	\$ 26,050
Contracts payable	232,704			163,514
Contracts payable - retainage	39,700			36,665
Due to other funds	558,919		118,211	31,119
Due to other governments	95,987			
Compensated absences payable			17,730	
Unearned revenue	135,171			
Deposits				1,000
Total liabilities	1,081,125	-	150,751	258,348
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	460,507		228,670	5,136
Related to leases				3,819
Total deferred inflows of resources	460,507	-	228,670	8,955
FUND BALANCE (DEFICITS)				
Non-spendable				1,026
Restricted	843,378	916,179		5,194,826
Committed				
Assigned				4,234,767
Unassigned	(687,826)			
Total fund balances	155,552	916,179	-	9,430,619
Total liabilities, deferred inflows of resources and fund balances	\$ 1,697,184	\$ 916,179	\$ 379,421	\$ 9,697,922
Fund balances at end of year	\$ 155,552	\$ 916,179	\$ -	\$ 9,430,619

(continued)

**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Special Revenue Funds			
	Stormwater Utility Fund	Parking Fund	Code Enforcement Fund	Law Enforcement Trust
ASSETS				
Cash and cash equivalents	\$ 442,080	\$ 486,602	\$ 717,376	\$ 156,421
Other cash				
Investments	558,606	614,864	906,465	197,650
Accrued Interest				
Accounts receivable			318,230	
Due from other funds				
Due from other governments	8,440			
Prepays and deposits	10,484	1,707	2,857	
Inventory				
Notes receivable				
Lease Receivable				
Restricted assets				
Cash and cash equivalents				
Investments				
Total assets	\$ 1,019,610	\$ 1,103,173	\$ 1,944,928	\$ 354,071
LIABILITIES				
Accounts payable	\$ 13,865	\$ 41,199	\$ 13,283	\$
Contracts payable		86,130		
Contracts payable - retainage				
Due to other funds	63,257	27,618	33,988	
Due to other governments				
Compensated absences payable				
Unearned revenue				
Deposits				
Total liabilities	77,122	154,947	47,271	0
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue			26,835	
Related to leases				
Total deferred inflows of resources	-	-	26,835.00	-
FUND BALANCE (DEFICITS)				
Non-spendable	10,484	1,707	2,857	
Restricted		242,979		354,071
Committed	932,004			
Assigned		703,540	1,867,965	
Unassigned				
Total fund balances	942,488	948,226	1,870,822	354,071
Total liabilities, deferred inflows of resources and fund balances	\$ 1,019,610	\$ 1,103,173	\$ 1,944,928	\$ 354,071
Fund balances at end of year	\$ 942,488	\$ 948,226	\$ 1,870,822	\$ 354,071

(continued)

**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Special Revenue Funds			
	Natural Disaster Fund	Golf Course Fund	Eastside Tax Increment Financing District	Inspections Fund
ASSETS				
Cash and cash equivalents	\$	\$ 197,697	\$ 353,791	\$ 890,967
Other cash				
Investments		249,807	447,045	1,125,813
Accrued Interest				
Accounts receivable		1,500		
Due from other funds				
Due from other governments	3,420,653			
Prepays and deposits		21,687		
Inventory		6,566		
Notes receivable				
Lease Receivable				
Restricted assets				
Cash and cash equivalents				
Investments				
Total assets	\$ <u>3,420,653</u>	\$ <u>477,257</u>	\$ <u>800,836</u>	\$ <u>2,016,780</u>
LIABILITIES				
Accounts payable	\$	\$ 18,638	\$ 4,727	\$ 4,623
Contracts payable		23,229	18,694	
Contracts payable - retainage			2,085	
Due to other funds	321,169	11,464	2,103	65,914
Due to other governments				
Compensated absences payable				
Unearned revenue				
Deposits		3,565		35,212
Total liabilities	<u>321,169</u>	<u>56,896</u>	<u>27,609</u>	<u>105,749</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue		1,500		
Related to leases				
Total deferred inflows of resources	<u>-</u>	<u>1,500.00</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICITS)				
Non-spendable		28,253		
Restricted	653,240	14,629	773,227	1,911,031
Committed				
Assigned	2,446,244	375,979		
Unassigned				
Total fund balances	<u>3,099,484</u>	<u>418,861</u>	<u>773,227</u>	<u>1,911,031</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>3,420,653</u>	\$ <u>477,257</u>	\$ <u>800,836</u>	\$ <u>2,016,780</u>
Fund balances at end of year	\$ <u>3,099,484</u>	\$ <u>418,861</u>	\$ <u>773,227</u>	\$ <u>1,911,031</u>

(continued)

**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Special Revenue Funds			
	Westside Tax Incremental Financing District	Recreation Fund	Tennis Fund	American Rescue Plan Act Fund
ASSETS				
Cash and cash equivalents	\$ 1,141,782	\$ 352,300	\$ 94,436	\$ 3,000,255
Other cash				
Investments	1,442,739	438,992	119,328	3,791,079
Accrued Interest		194	26	
Accounts receivable		2,100	10,737	
Due from other funds		103,627		
Due from other governments				
Prepays and deposits		1,023	9,922	
Inventory				
Notes receivable				
Lease Receivable		590,427	53,282	
Restricted assets				
Cash and cash equivalents				
Investments				
Total assets	\$ 2,584,521	\$ 1,488,663	\$ 287,731	\$ 6,791,334
LIABILITIES				
Accounts payable	\$ 901	\$ 85,241	\$ 4,695	\$ 40,284
Contracts payable	21,331	3,718		23,095
Contracts payable - retainage				92
Due to other funds	3,527	2,884		
Due to other governments				
Compensated absences payable				
Unearned revenue				6,727,863
Deposits		93,227		
Total liabilities	25,759	185,070	4,695	6,791,334
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue		2,100	10,737	
Related to leases		565,435	59,026	
Total deferred inflows of resources	-	567,535	69,763	-
FUND BALANCE (DEFICITS)				
Non-spendable		1,023	9,922	
Restricted	2,558,762		29,240	
Committed				
Assigned		735,035	174,111	
Unassigned				
Total fund balances	2,558,762	736,058	213,273	-
Total liabilities, deferred inflows of resources and fund balances	\$ 2,584,521	\$ 1,488,663	\$ 287,731	\$ 6,791,334
Fund balances at end of year	\$ 2,558,762	\$ 736,058	\$ 213,273	\$ -

(continued)

**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>	
	<u>CRA Debt Service</u>	<u>Local Option Gas Tax Debt Service</u>	<u>CRA 2017 Project Fund</u>	<u>CRA 2019 Project Fund</u>
ASSETS				
Cash and cash equivalents	\$	\$	\$ 1,967,264	\$ 2,231,477
Other cash				
Investments			2,485,806	2,819,663
Accrued Interest				
Accounts receivable				
Due from other funds				
Due from other governments				
Prepays and deposits				
Inventory				
Notes receivable				
Lease Receivable				
Restricted assets				
Cash and cash equivalents	1,841,563	688,489		
Investments	2,326,972	869,965		
Total assets	\$ 4,168,535	\$ 1,558,454	\$ 4,453,070	\$ 5,051,140
LIABILITIES				
Accounts payable	\$	\$	\$	\$ 574
Contracts payable			235,361	355,693
Contracts payable - retainage			56,510	163,621
Due to other funds				
Due to other governments				
Compensated absences payable				
Unearned revenue				
Deposits				
Total liabilities	-	-	291,871.00	519,888
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue				
Related to leases				
Total deferred inflows of resources	-	-	-	-
FUND BALANCE (DEFICITS)				
Non-spendable				
Restricted	4,168,535	1,558,454	4,161,199	4,531,252
Committed				
Assigned				
Unassigned				
Total fund balances	4,168,535	1,558,454	4,161,199	4,531,252
Total liabilities, deferred inflows of resources and fund balances	\$ 4,168,535	\$ 1,558,454	\$ 4,453,070	\$ 5,051,140
Fund balances at end of year	\$ 4,168,535	\$ 1,558,454	\$ 4,161,199	\$ 4,531,252

(continued)

CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Stormwater Capital</u>	
ASSETS		
Cash and cash equivalents	\$ 3,232,995	\$ 19,440,070
Other cash		6,169
Investments	4,085,166	24,564,190
Accrued Interest		223
Accounts receivable		337,703
Due from other funds		103,627
Due from other governments		4,928,806
Prepays and deposits		48,706
Inventory		6,566
Notes receivable		689,177
Lease Receivable		647,645
Restricted assets		
Cash and cash equivalents		2,984,973
Investments		3,771,768
Total assets	<u>\$ 7,318,161</u>	<u>\$ 57,529,623</u>
LIABILITIES		
Accounts payable	\$ 3,220	\$ 290,754
Contracts payable	113,914	1,277,383
Contracts payable - retainage		298,673
Due to other funds		1,240,173
Due to other governments		95,987
Compensated absences payable		17,730
Unearned revenue		6,863,034
Deposits		133,004
Total liabilities	<u>117,134</u>	<u>10,216,738</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue		735,485
Related to leases		628,280
Total deferred inflows of resources	<u>-</u>	<u>1,363,765</u>
FUND BALANCE (DEFICITS)		
Non-spendable		55,272
Restricted	888,160	28,799,162
Committed	6,312,867	7,244,871
Assigned		10,537,641
Unassigned		(687,826)
Total fund balances	<u>7,201,027</u>	<u>45,949,120</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,318,161</u>	<u>\$ 57,529,623</u>
Fund balances at end of year	<u>\$ 7,201,027</u>	<u>\$ 45,949,120</u>

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds			
	Special Grants	Local Option Gasoline Tax	Community Development Block Grant	Community Redevelopment Agency
Revenues:				
Taxes	\$	\$ 1,423,954	\$	\$
Licenses and permits				
Intergovernmental	1,479,655		593,853	6,457,382
Charges for services				19,645
Fines and forfeits				
Interest income		49,525	2,138	501,142
Donations	1,030,969			
Other				100,000
Total revenues	<u>2,510,624</u>	<u>1,473,479</u>	<u>595,991</u>	<u>7,078,169</u>
Expenditures:				
Current -				
General government	162,315		596,862	4,410,621
Public safety	211,079			
Transportation	143,331	4,300		
Culture and recreation	251,474			
Economic environment	243,784			
Physical environment	325,358			
Capital outlay	1,175,727			1,091,702
Debt service -				
Principal retirement				
Interest				
Total expenditures	<u>2,513,068</u>	<u>4,300</u>	<u>596,862</u>	<u>5,502,323</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,444)</u>	<u>1,469,179</u>	<u>(871)</u>	<u>1,575,846</u>
Other financing sources (uses):				
Transfers in				3,814,172
Transfers (out)		(1,520,775)		(3,697,715)
Sale of capital assets			871	
Total other financing sources (uses)	<u>-</u>	<u>(1,520,775)</u>	<u>871</u>	<u>116,457</u>
Net Change in fund balances	<u>(2,444)</u>	<u>(51,596)</u>	<u>-</u>	<u>1,692,303</u>
Fund balances at beginning of year, as previously presented	<u>157,996</u>	<u>967,775</u>	<u>-</u>	<u>7,738,316</u>
Change within financial reporting entity nonmajor to major	-	-	-	-
Residual equity transfer	-	-	-	-
Fund balances at beginning of year, as restated	<u>157,996</u>	<u>967,775</u>	<u>-</u>	<u>7,738,316</u>
Fund balances at end of year	<u>\$ 155,552</u>	<u>\$ 916,179</u>	<u>\$ -</u>	<u>\$ 9,430,619</u>

(continued)

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds			
	Stormwater Utility Fund	Parking Fund	Code Enforcement Fund	Law Enforcement Trust
Revenues:				
Taxes	\$	\$	\$	\$
Licenses and permits				
Intergovernmental				
Charges for services	3,192,433	1,791,078	1,346,440	
Fines and forfeits	3,058		260,029	177,908
Interest income	53,064	40,939	45,593	12,721
Donations				
Other	10,510	1,118	2,935	
Total revenues	<u>3,259,065</u>	<u>1,833,135</u>	<u>1,654,997</u>	<u>190,629</u>
Expenditures:				
Current -				
General government				
Public safety				81,986
Transportation		1,499,777		
Culture and recreation				
Economic environment				
Physical environment	3,094,876		1,420,444	
Capital outlay		179,350	92,512	
Debt service -				
Principal retirement				
Interest				
Total expenditures	<u>3,094,876</u>	<u>1,679,127</u>	<u>1,512,956</u>	<u>81,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>164,189</u>	<u>154,008</u>	<u>142,041</u>	<u>108,643</u>
Other financing sources (uses):				
Transfers in				
Transfers (out)				
Sale of capital assets				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	<u>164,189</u>	<u>154,008</u>	<u>142,041</u>	<u>108,643</u>
Fund balances at beginning of year, as previously presented	<u>778,299</u>	<u>794,218</u>	<u>-</u>	<u>245,428</u>
Change within financial reporting entity				
nonmajor to major	-	-	-	-
Residual equity transfer	<u>-</u>	<u>-</u>	<u>1,728,781</u>	<u>-</u>
Fund balances at beginning of year, as restated	<u>778,299</u>	<u>794,218</u>	<u>1,728,781</u>	<u>245,428</u>
Fund balances at end of year	<u>\$ 942,488</u>	<u>\$ 948,226</u>	<u>\$ 1,870,822</u>	<u>\$ 354,071</u>

(continued)

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds			
	Natural Disaster Fund	Golf Course Fund	Eastside Tax Increment Financing District	Inspections Fund
Revenues:				
Taxes	\$	\$	\$	\$
Licenses and permits				2,111,851
Intergovernmental	2,553		284,027	
Charges for services		780,531		29,325
Fines and forfeits				
Interest income		17,117	38,752	76,954
Donations				
Other				30
Total revenues	<u>2,553</u>	<u>797,648</u>	<u>322,779</u>	<u>2,218,160</u>
Expenditures:				
Current -				
General government	106		413,033	
Public safety				2,338,362
Transportation	193,518			
Culture and recreation		1,054,969		
Economic environment				
Physical environment				
Capital outlay		8,777	47,463	204,200
Debt service -				
Principal retirement				
Interest			15,000	
Total expenditures	<u>193,624</u>	<u>1,063,746</u>	<u>475,496</u>	<u>2,542,562</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(191,071)</u>	<u>(266,098)</u>	<u>(152,717)</u>	<u>(324,402)</u>
Other financing sources (uses):				
Transfers in		200,000	184,136	2,655
Transfers (out)			(87,916)	
Sale of capital assets				2,588
Total other financing sources (uses)	<u>-</u>	<u>200,000</u>	<u>96,220</u>	<u>5,243</u>
Net Change in fund balances	<u>(191,071)</u>	<u>(66,098)</u>	<u>(56,497)</u>	<u>(319,159)</u>
Fund balances at beginning of year, as previously presented	<u>3,290,555</u>	<u>484,959</u>	<u>829,724</u>	<u>2,230,190</u>
Change within financial reporting entity				
nonmajor to major	-	-	-	-
Residual equity transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year, as restated	<u>3,290,555</u>	<u>484,959</u>	<u>829,724</u>	<u>2,230,190</u>
Fund balances at end of year	<u>\$ 3,099,484</u>	<u>\$ 418,861</u>	<u>\$ 773,227</u>	<u>\$ 1,911,031</u>

(continued)

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds			
	Westside Tax Incremental Financing District	Recreation Fund	Tennis Fund	CMP Management Services Fund
Revenues:				
Taxes	\$	\$	\$	\$
Licenses and permits				
Intergovernmental	1,337,083			
Charges for services		929,002	123,357	
Fines and forfeits				
Interest income	137,867	52,613	12,989	
Donations				
Other		41		
Total revenues	<u>1,474,950</u>	<u>981,656</u>	<u>136,346</u>	<u>-</u>
Expenditures:				
Current -				
General government	891,535			
Public safety				
Transportation				
Culture and recreation		1,018,448	124,159	
Economic environment				
Physical environment				
Capital outlay	925,612		74,771	
Debt service -				
Principal retirement				
Interest				
Total expenditures	<u>1,817,147</u>	<u>1,018,448</u>	<u>198,930</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(342,197)</u>	<u>(36,792)</u>	<u>(62,584)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	866,836			
Transfers (out)	(276,526)			
Sale of capital assets				
Total other financing sources (uses)	<u>590,310</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	<u>248,113</u>	<u>(36,792)</u>	<u>(62,584)</u>	<u>-</u>
Fund balances at beginning of year, as previously presented	<u>2,310,649</u>	<u>772,850</u>	<u>275,857</u>	<u>2,355,694</u>
Change within financial reporting entity nonmajor to major	-	-	-	(2,355,694)
Residual equity transfer	-	-	-	-
Fund balances at beginning of year, as restated	<u>2,310,649</u>	<u>772,850</u>	<u>275,857</u>	<u>-</u>
Fund balances at end of year	<u>\$ 2,558,762</u>	<u>\$ 736,058</u>	<u>\$ 213,273</u>	<u>\$ -</u>

(continued)

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Local Option Gas Tax Debt Service</u>	<u>Capital Project Funds</u>
	<u>American Rescue Plan Act Fund</u>	<u>CRA Debt Service</u>	<u>Local Option Gas Tax Debt Service</u>	<u>CRA 2017 Project Fund</u>
Revenues:				
Taxes	\$	\$	\$	\$
Licenses and permits				
Intergovernmental	2,107,699			
Charges for services				
Fines and forfeits				
Interest income		106,378	37,679	174,425
Donations				
Other				
Total revenues	<u>2,107,699</u>	<u>106,378</u>	<u>37,679</u>	<u>174,425</u>
Expenditures:				
Current -				
General government	1,182,107			54,443
Public safety				
Transportation				
Culture and recreation				
Economic environment				
Physical environment				
Capital outlay	925,592			1,266,575
Debt service -				
Principal retirement		2,007,612	1,441,000	
Interest		2,110,608	95,224	
Total expenditures	<u>2,107,699</u>	<u>4,118,220</u>	<u>1,536,224</u>	<u>1,321,018</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(4,011,842)</u>	<u>(1,498,545)</u>	<u>(1,146,593)</u>
Other financing sources (uses):				
Transfers in		4,062,157	1,520,775	
Transfers (out)				
Sale of capital assets				
Total other financing sources (uses)	<u>-</u>	<u>4,062,157</u>	<u>1,520,775</u>	<u>-</u>
Net Change in fund balances	<u>-</u>	<u>50,315</u>	<u>22,230</u>	<u>(1,146,593)</u>
Fund balances at beginning of year, as previously presented	<u>-</u>	<u>4,118,220</u>	<u>1,536,224</u>	<u>5,307,792</u>
Change within financial reporting entity nonmajor to major	-	-	-	-
Residual equity transfer	-	-	-	-
Fund balances at beginning of year, as restated	<u>-</u>	<u>4,118,220</u>	<u>1,536,224</u>	<u>5,307,792</u>
Fund balances at end of year	\$ <u>-</u>	\$ <u>4,168,535</u>	\$ <u>1,558,454</u>	\$ <u>4,161,199</u>

(continued)

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Capital Project Funds		Total
	CRA 2019	Stormwater	Governmental
	Project Fund	Capital	Funds
Revenues:			
Taxes	\$	\$	\$ 1,423,954
Licenses and permits			2,111,851
Intergovernmental			12,262,252
Charges for services			8,211,811
Fines and forfeits			440,995
Interest income	236,281	297,726	1,893,903
Donations			1,030,969
Other			114,634
Total revenues	<u>236,281</u>	<u>297,726</u>	<u>27,490,369</u>
Expenditures:			
Current -			
General government	10,008		7,721,030
Public safety			2,631,427
Transportation			1,840,926
Culture and recreation			2,449,050
Economic environment			243,784
Physical environment		574,652	5,415,330
Capital outlay	3,637,260	1,552,187	11,181,728
Debt service -			
Principal retirement			3,448,612
Interest			2,220,832
Total expenditures	<u>3,647,268</u>	<u>2,126,839</u>	<u>37,152,719</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,410,987)</u>	<u>(1,829,113)</u>	<u>(9,662,350)</u>
Other financing sources (uses):			
Transfers in		2,735,000	13,385,731
Transfers (out)			(5,582,932)
Sale of capital assets			3,459
Total other financing sources (uses)	<u>-</u>	<u>2,735,000</u>	<u>7,806,258</u>
Net Change in fund balances	<u>(3,410,987)</u>	<u>905,887</u>	<u>(1,856,092)</u>
Fund balances at beginning of year, as previously presented	<u>7,942,239</u>	<u>6,295,140</u>	<u>48,432,125</u>
Change within financial reporting entity			
nonmajor to major	-	-	(2,355,694)
Residual equity transfer	-	-	1,728,781
Fund balances at beginning of year, as restated	<u>7,942,239</u>	<u>6,295,140</u>	<u>47,805,212</u>
Fund balances at end of year	<u>\$ 4,531,252</u>	<u>\$ 7,201,027</u>	<u>\$ 45,949,120</u>

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Grants			Local Option Gasoline Tax		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
Revenues:						
Taxes	\$	\$	\$	\$ 1,370,000	1,423,954	\$ 53,954
Licenses and permits						
Intergovernmental	59,494,652	1,479,655	(58,014,997)			
Charges for services						
Fines and forfeits						
Interest income					49,525	49,525
Donations	3,308,609	1,030,969	(2,277,640)			
Other						
Total revenues	<u>62,803,261</u>	<u>2,510,624</u>	<u>(60,292,637)</u>	<u>1,370,000</u>	<u>1,473,479</u>	<u>103,479</u>
Expenditures:						
Current -						
General government	443,528	162,315	281,213			
Public safety	1,615,969	211,079	1,404,890			
Transportation	459,055	143,331	315,724	4,300	4,300	-
Culture and recreation	872,232	251,474	620,758			
Economic environment	7,314,437	243,784	7,070,653			
Physical environment	2,454,034	325,358	2,128,676			
Human services						
Capital outlay	49,644,006	1,175,727	48,468,279			
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>62,803,261</u>	<u>2,513,068</u>	<u>60,290,193</u>	<u>4,300</u>	<u>4,300</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2,444)</u>	<u>(2,444)</u>	<u>1,365,700</u>	<u>1,469,179</u>	<u>103,479</u>
Other financing sources (uses):						
Transfers in						
Transfers (out)				(1,536,300)	(1,520,775)	15,525
Sale of capital assets						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,536,300)</u>	<u>(1,520,775)</u>	<u>15,525</u>
Net Change in fund balances	\$ <u>-</u>	<u>(2,444)</u>	\$ <u>(2,444)</u>	\$ <u>(170,600)</u>	<u>(51,596)</u>	\$ <u>119,004</u>
Fund balances at beginning of year		<u>157,996</u>			<u>967,775</u>	
Fund balances at end of year		\$ <u>155,552</u>			\$ <u>916,179</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Community Development Block Grant			Community Redevelopment Fund		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental	2,290,134	593,853	(1,696,281)	6,457,500	6,457,382	(118)
Charges for services				16,000	19,645	3,645
Fines and forfeits						
Interest income		2,138	2,138		501,142	501,142
Donations						
Other					100,000	100,000
Total revenues	<u>2,290,134</u>	<u>595,991</u>	<u>(1,694,143)</u>	<u>6,473,500</u>	<u>7,078,169</u>	<u>604,669</u>
Expenditures:						
Current -						
General government	2,290,134	596,862	1,693,272	10,164,654	4,410,621	5,754,033
Public safety						
Transportation						
Culture and recreation						
Economic environment						
Physical environment						
Human services						
Capital outlay				2,000,682	1,091,702	908,980
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>2,290,134</u>	<u>596,862</u>	<u>1,693,272</u>	<u>12,165,336</u>	<u>5,502,323</u>	<u>6,663,013</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(871)</u>	<u>(871)</u>	<u>(5,691,836)</u>	<u>1,575,846</u>	<u>7,267,682</u>
Other financing sources (uses):						
Transfers in				3,814,200	3,814,172	28
Transfers (out)				(4,815,700)	(3,697,715)	1,117,985
Sale of capital assets		871	871			
Total other financing sources (uses)	<u>-</u>	<u>871</u>	<u>871</u>	<u>(1,001,500)</u>	<u>116,457</u>	<u>1,118,013</u>
Net Change in fund balances	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(6,693,336)</u>	\$ <u>1,692,303</u>	\$ <u>8,385,695</u>
Fund balances at beginning of year		<u>-</u>			<u>7,738,316</u>	
Fund balances at end of year		\$ <u>-</u>			\$ <u>9,430,619</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Stormwater Utility Fund			Parking Fund		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental						
Charges for services	3,100,600	3,192,433	91,833	1,535,100	1,791,078	255,978
Fines and forfeits	5,000	3,058	(1,942)			
Interest income		53,064	53,064		40,939	40,939
Donations						
Other		10,510	10,510	500	1,118	618
Total revenues	<u>3,105,600</u>	<u>3,259,065</u>	<u>153,465</u>	<u>1,535,600</u>	<u>1,833,135</u>	<u>297,535</u>
Expenditures:						
Current -						
General government						
Public safety						
Transportation				1,833,035	1,499,777	333,258
Culture and recreation						
Economic environment						
Physical environment	3,332,525	3,094,876	237,649			
Human services						
Capital outlay				498,895	179,350	319,545
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>3,332,525</u>	<u>3,094,876</u>	<u>237,649</u>	<u>2,331,930</u>	<u>1,679,127</u>	<u>652,803</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(226,925)</u>	<u>164,189</u>	<u>391,114</u>	<u>(796,330)</u>	<u>154,008</u>	<u>950,338</u>
Other financing sources (uses):						
Transfers in						
Transfers (out)						
Sale of capital assets						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	<u>\$ (226,925)</u>	<u>164,189</u>	<u>\$ 391,114</u>	<u>\$ (796,330)</u>	<u>154,008</u>	<u>\$ 950,338</u>
Fund balances at beginning of year		<u>778,299</u>			<u>794,218</u>	
Fund balances at end of year		<u>\$ 942,488</u>			<u>\$ 948,226</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Code Enforcement Fund			Law Enforcement Trust		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental						
Charges for services	1,448,500	1,346,440	(102,060)			
Fines and forfeits	100,000	260,029	160,029		177,908	177,908
Interest income		45,593	45,593		12,721	12,721
Donations						
Other		2,935	2,935			
Total revenues	<u>1,548,500</u>	<u>1,654,997</u>	<u>106,497</u>	<u>-</u>	<u>190,629</u>	<u>190,629</u>
Expenditures:						
Current -						
General government						
Public safety				135,202	81,986	53,216
Transportation						
Culture and recreation						
Economic environment						
Physical environment	1,658,160	1,420,444	237,716			
Human services						
Capital outlay	106,640	92,512	14,128	145		145
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>1,764,800</u>	<u>1,512,956</u>	<u>251,844</u>	<u>135,347</u>	<u>81,986</u>	<u>53,361</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(216,300)</u>	<u>142,041</u>	<u>358,341</u>	<u>(135,347)</u>	<u>108,643</u>	<u>243,990</u>
Other financing sources (uses):						
Transfers in						
Transfers (out)						
Sale of capital assets						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	<u>\$ (216,300)</u>	<u>1,870,822</u>	<u>\$ 358,341</u>	<u>\$ (135,347)</u>	<u>108,643</u>	<u>\$ 243,990</u>
Fund balances at beginning of year		<u>-</u>			<u>245,428</u>	
Residual equity transfer		<u>1,728,781</u>			<u>-</u>	
Fund balances at beginning of year, as restated		<u>1,728,781</u>			<u>245,428</u>	
Fund balances at end of year		<u>\$ 1,870,822</u>			<u>\$ 354,071</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Natural Disaster Fund			Golf Course Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental	22,876,451	2,553	(22,873,898)	798,300	780,531	(17,769)
Charges for services						
Fines and forfeits					17,117	17,117
Interest income						
Donations						
Other						
Total revenues	<u>22,876,451</u>	<u>2,553</u>	<u>(22,873,898)</u>	<u>798,300</u>	<u>797,648</u>	<u>(652)</u>
Expenditures:						
Current -						
General government	22,680,772	106	22,680,666			
Public safety	152,052		152,052			
Transportation	1,656	193,518	(191,862)			
Culture and recreation	41,971		41,971	1,062,214	1,054,969	7,245
Economic environment						
Physical environment						
Human services						
Capital outlay				8,777	8,777	-
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>22,876,451</u>	<u>193,624</u>	<u>22,682,827</u>	<u>1,070,991</u>	<u>1,063,746</u>	<u>7,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(191,071)</u>	<u>(191,071)</u>	<u>(272,691)</u>	<u>(266,098)</u>	<u>6,593</u>
Other financing sources (uses):						
Transfers in				200,000	200,000	-
Transfers (out)						
Sale of capital assets						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net Change in fund balances	\$ <u>-</u>	<u>(191,071)</u>	\$ <u>(191,071)</u>	\$ <u>(72,691)</u>	<u>(66,098)</u>	\$ <u>6,593</u>
Fund balances at beginning of year		<u>3,290,555</u>			<u>484,959</u>	
Fund balances at end of year		\$ <u>3,099,484</u>			\$ <u>418,861</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Eastside Tax Increment Financing District			Inspections Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits				2,596,100	2,111,851	(484,249)
Intergovernmental	284,100	284,027	(73)			
Charges for services				23,400	29,325	5,925
Fines and forfeits						
Interest income		38,752	38,752		76,954	76,954
Donations						
Other					30	30
Total revenues	<u>284,100</u>	<u>322,779</u>	<u>38,679</u>	<u>2,619,500</u>	<u>2,218,160</u>	<u>(401,340)</u>
Expenditures:						
Current -						
General government	1,105,546	413,033	692,513			
Public safety				2,721,949	2,338,362	383,587
Transportation						
Culture and recreation						
Economic environment						
Physical environment						
Human services						
Capital outlay	63,142	47,463	15,679	229,100	204,200	24,900
Debt service -						
Principal retirement						
Interest	15,000	15,000	-			
Total expenditures	<u>1,183,688</u>	<u>475,496</u>	<u>708,192</u>	<u>2,951,049</u>	<u>2,542,562</u>	<u>408,487</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(899,588)</u>	<u>(152,717)</u>	<u>746,871</u>	<u>(331,549)</u>	<u>(324,402)</u>	<u>7,147</u>
Other financing sources (uses):						
Transfers in	184,200	184,136	(64)		2,655	2,655
Transfers (out)	(89,900)	(87,916)	1,984			
Sale of capital assets					2,588	2,588
Total other financing sources (uses)	<u>94,300</u>	<u>96,220</u>	<u>1,920</u>	<u>-</u>	<u>5,243</u>	<u>5,243</u>
Net Change in fund balances	<u>\$ (805,288)</u>	<u>(56,497)</u>	<u>\$ 748,791</u>	<u>\$ (331,549)</u>	<u>(319,159)</u>	<u>\$ 12,390</u>
Fund balances at beginning of year		<u>829,724</u>			<u>2,230,190</u>	
Fund balances at end of year		<u>\$ 773,227</u>			<u>\$ 1,911,031</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Westside Tax Increment Financing District			Recreation Fund		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental	1,337,100	1,337,083	(17)	1,016,900	929,002	(87,898)
Charges for services						
Fines and forfeits						
Interest income		137,867	137,867		52,613	52,613
Donations						
Other					41	41
Total revenues	<u>1,337,100</u>	<u>1,474,950</u>	<u>137,850</u>	<u>1,016,900</u>	<u>981,656</u>	<u>(35,244)</u>
Expenditures:						
Current -						
General government	2,969,396	891,535	2,077,861			
Public safety						
Transportation						
Culture and recreation				1,056,100	1,018,448	37,652
Economic environment						
Physical environment						
Human services						
Capital outlay	1,193,584	925,612	267,972			
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>4,162,980</u>	<u>1,817,147</u>	<u>2,345,833</u>	<u>1,056,100</u>	<u>1,018,448</u>	<u>37,652</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,825,880)</u>	<u>(342,197)</u>	<u>2,483,683</u>	<u>(39,200)</u>	<u>(36,792)</u>	<u>2,408</u>
Other financing sources (uses):						
Transfers in	866,900	866,836	(64)			
Transfers (out)	(279,800)	(276,526)	3,274			
Sale of capital assets						
Total other financing sources (uses)	<u>587,100</u>	<u>590,310</u>	<u>3,210</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	\$ <u>(2,238,780)</u>	<u>248,113</u>	\$ <u>2,486,893</u>	\$ <u>(39,200)</u>	<u>(36,792)</u>	\$ <u>2,408</u>
Fund balances at beginning of year		<u>2,310,649</u>			<u>772,850</u>	
Fund balances at end of year		\$ <u>2,558,762</u>			\$ <u>736,058</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Tennis Fund			American Rescue Plan Act Fund		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental				8,563,839	2,107,699	(6,456,140)
Charges for services	128,800	123,357	(5,443)			
Fines and forfeits						
Interest income		12,989	12,989			
Donations						
Other						
Total revenues	<u>128,800</u>	<u>136,346</u>	<u>7,546</u>	<u>8,563,839</u>	<u>2,107,699</u>	<u>(6,456,140)</u>
Expenditures:						
Current -						
General government				4,435,580	1,182,107	3,253,473
Public safety						
Transportation						
Culture and recreation	128,800	124,159	4,641			
Economic environment						
Physical environment						
Human services						
Capital outlay	200,000	74,771	125,229	4,547,459	925,592	3,621,867
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>328,800</u>	<u>198,930</u>	<u>129,870</u>	<u>8,983,039</u>	<u>2,107,699</u>	<u>6,875,340</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(200,000)</u>	<u>(62,584)</u>	<u>137,416</u>	<u>(419,200)</u>	<u>-</u>	<u>419,200</u>
Other financing sources (uses):						
Transfers in						
Transfers (out)						
Sale of capital assets						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	<u>\$ (200,000)</u>	<u>(62,584)</u>	<u>\$ 137,416</u>	<u>\$ (419,200)</u>	<u>-</u>	<u>\$ 419,200</u>
Fund balances at beginning of year		<u>275,857</u>			<u>-</u>	
Fund balances at end of year		<u>\$ 213,273</u>			<u>\$ -</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	CRA Debt Service Fund			Local Option Gas Tax Debt Service		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental						
Charges for services						
Fines and forfeits						
Interest income		106,378	106,378		37,679	37,679
Donations						
Other						
Total revenues	<u>-</u>	<u>106,378</u>	<u>106,378</u>	<u>-</u>	<u>37,679</u>	<u>37,679</u>
Expenditures:						
Current -						
General government						
Public safety						
Transportation						
Culture and recreation						
Economic environment						
Physical environment						
Human services						
Capital outlay						
Debt service -						
Principal retirement	3,074,700	2,007,612	1,067,088	1,441,000	1,441,000	-
Interest	2,110,700	2,110,608	92	95,300	95,224	76
Total expenditures	<u>5,185,400</u>	<u>4,118,220</u>	<u>1,067,180</u>	<u>1,536,300</u>	<u>1,536,224</u>	<u>76</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,185,400)</u>	<u>(4,011,842)</u>	<u>1,173,558</u>	<u>(1,536,300)</u>	<u>(1,498,545)</u>	<u>37,755</u>
Other financing sources (uses):						
Transfers in	5,185,400	4,062,157	(1,123,243)	1,536,300	1,520,775	(15,525)
Transfers (out)						
Sale of capital assets						
Total other financing sources (uses)	<u>5,185,400</u>	<u>4,062,157</u>	<u>(1,123,243)</u>	<u>1,536,300</u>	<u>1,520,775</u>	<u>(15,525)</u>
Net Change in fund balances	<u>\$ -</u>	<u>50,315</u>	<u>\$ 50,315</u>	<u>\$ -</u>	<u>22,230</u>	<u>\$ 22,230</u>
Fund balances at beginning of year		<u>4,118,220</u>			<u>1,536,224</u>	
Fund balances at end of year		<u>\$ 4,168,535</u>			<u>\$ 1,558,454</u>	

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the government on a cost-reimbursement basis.

General Stock Account - to account for the cost of operating a central warehouse facility used by other City departments. Material purchases are recovered from the users.

Insurance Retention Fund - to account for the City's self-insurance program.

Central Services Fund - to account for the operation of the City Mail Room, Management Information Services, Engineering, and City Garage Facilities.

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2024

	General Stock Account	Insurance Retention Fund	Central Services Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,649	\$ 1,469,395	\$ 1,408,814	\$ 2,879,858
Investments	2,084	1,856,705	1,780,157	3,638,946
Accounts receivable (net)		255,342		255,342
Prepaid expenses		412,487	36,247	448,734
Inventory	1,373,784			1,373,784
Total current assets	<u>1,377,517</u>	<u>3,993,929</u>	<u>3,225,218</u>	<u>8,596,664</u>
Noncurrent assets:				
Prepaid expense				
Restricted assets				
Cash and cash equivalents		3,479,032		3,479,032
Investments		4,396,054		4,396,054
Capital assets				
Depreciable (net)			2,539,073	2,539,073
Intangible right-to-use asset (net)			1,070,393	1,070,393
Total noncurrent assets	<u>-</u>	<u>7,875,086</u>	<u>3,609,466</u>	<u>11,484,552</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension		369,646	2,171,579	2,541,225
Deferred OPEB		10,606	100,637	111,243
Total deferred outflows of resources	<u>-</u>	<u>380,252</u>	<u>2,272,216</u>	<u>2,652,468</u>
Total assets and deferred outflows	<u><u>\$ 1,377,517</u></u>	<u><u>\$ 12,249,267</u></u>	<u><u>\$ 9,106,900</u></u>	<u><u>\$ 22,733,684</u></u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 4,147	\$ 82,353	\$ 47,253	\$ 133,753
Contracts payable		23,000	30,913	53,913
Contracts payable - retainage				-
Accrued interest payable			19,476	19,476
Due to other funds	510,000	31,415	168,861	710,276
Compensated absences payable			382,819	382,819
Claims and judgments payable		2,753,184		2,753,184
SBITA payable			469,707	469,707
Unearned revenue				-
Deposits		17,416		17,416
OPEB Liability		2,025	19,558	21,583
Total current liabilities	<u>514,147</u>	<u>2,909,393</u>	<u>1,138,587</u>	<u>4,562,127</u>
Noncurrent liabilities:				
Compensated absences payable		71,555		71,555
Claims and judgments payable		865,812		865,812
SBITA payable			433,904	433,904
Net pension liability		781,708	4,941,634	5,723,342
OPEB liability		59,281	572,685	631,966
Total noncurrent liabilities	<u>-</u>	<u>1,778,356</u>	<u>5,948,223</u>	<u>7,726,579</u>
Total liabilities	<u>514,147</u>	<u>4,687,749</u>	<u>7,086,810</u>	<u>12,288,706</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension		37,090	238,502	275,592
Deferred OPEB		69,266	538,698	607,964
Total deferred inflows of resources	<u>-</u>	<u>106,356</u>	<u>777,200</u>	<u>883,556</u>
NET POSITION				
Net investment in capital assets			2,701,555	2,701,555
Unrestricted	863,370	7,455,162	(1,458,665)	6,859,867
Total net position	<u>863,370</u>	<u>7,455,162</u>	<u>1,242,890</u>	<u>9,561,422</u>
Total liabilities and net position	<u><u>\$ 1,377,517</u></u>	<u><u>\$ 12,249,267</u></u>	<u><u>\$ 9,106,900</u></u>	<u><u>\$ 22,733,684</u></u>

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Stock Account	Insurance Retention Fund	Central Services Fund	Total
Operating revenues:				
Charges for services	\$	\$	\$ 6,637,713	\$ 6,637,713
Health		13,233,039		13,233,039
Dental		342,217		342,217
Vision		68,831		68,831
Life		235,388		235,388
Survivor disability		125,449		125,449
Liability		8,631,207		8,631,207
Other		182,945	26,907	209,852
Total operating revenues	<u>-</u>	<u>22,819,076</u>	<u>6,664,620</u>	<u>29,483,696</u>
Operating expenses:				
Salaries and employee benefits		747,647	4,475,379	5,223,026
Materials and supplies		5,233	141,311	146,544
Repairs and maintenance		388	214,912	215,300
Contractual services		153,401	1,390,333	1,543,734
Office and utilities		189,117	533,121	722,238
Premiums and claims expense -				
General liability		5,448,410		5,448,410
Workmen's compensation		1,140,752		1,140,752
Auto		653,540		653,540
Health		13,060,825		13,060,825
Dental		348,479		348,479
Vision		70,089		70,089
Life		257,592		257,592
Survivor disability		151,280		151,280
Total operating expenses before depreciation	<u>-</u>	<u>22,226,753</u>	<u>6,755,056</u>	<u>28,981,809</u>
Operating income (loss) before depreciation	<u>-</u>	<u>592,323</u>	<u>(90,436)</u>	<u>501,887</u>
Depreciation			734,305	734,305
Operating income (loss)	<u>-</u>	<u>592,323</u>	<u>(824,741)</u>	<u>(232,418)</u>
Nonoperating revenues (expenses):				
Gain (loss) on disposal of fixed assets			22,964	22,964
Interest Expense			(22,205)	(22,205)
Investment interest		452,522	137,933	590,455
Total nonoperating revenues (expenses)	<u>-</u>	<u>452,522</u>	<u>138,692</u>	<u>591,214</u>
Income (loss) before transfers:	<u>-</u>	<u>1,044,845</u>	<u>(686,049)</u>	<u>358,796</u>
Transfers:				
Transfers in (out)			(2,007)	(2,007)
Total transfers	<u>-</u>	<u>-</u>	<u>(2,007)</u>	<u>(2,007)</u>
Change in net position	<u>-</u>	<u>1,044,845</u>	<u>(688,056)</u>	<u>356,789</u>
Net position at beginning of year	<u>863,370</u>	<u>6,410,317</u>	<u>1,930,946</u>	<u>9,204,633</u>
Net position at end of year	<u>\$ 863,370</u>	<u>\$ 7,455,162</u>	<u>\$ 1,242,890</u>	<u>\$ 9,561,422</u>

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

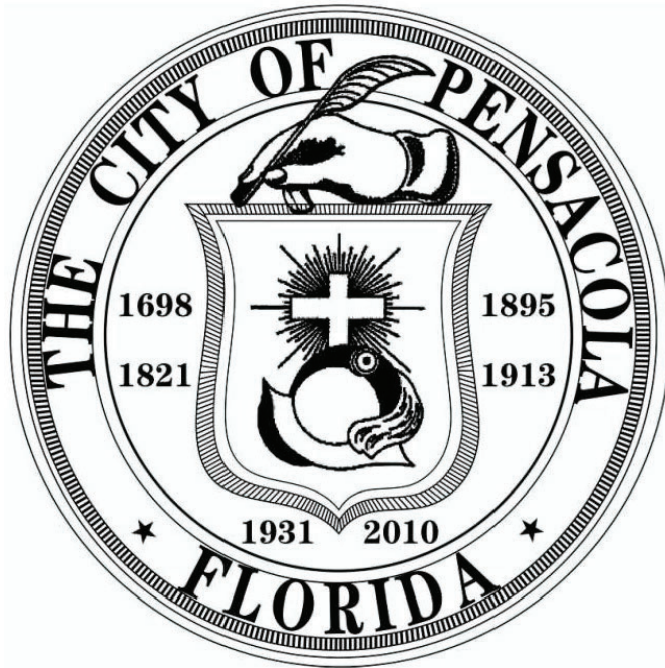
	<u>General Stock Account</u>	<u>Insurance Retention Fund</u>	<u>Central Services Fund</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers	\$	\$ 17,365,330	\$ 6,664,620	\$ 24,029,950
Cash received from other funds	(155,853)	5,462,394	(2,770,947)	2,535,594
Cash payments to suppliers for goods and services	156,412	(22,019,956)	(4,412,963)	(26,276,507)
Cash payments to employees for services		(722,176)		(722,176)
Net cash provided by (used for) operating activities	<u>559</u>	<u>85,592</u>	<u>(519,290)</u>	<u>(433,139)</u>
Cash flows from noncapital financing activities:				
Net transfers			19,600	19,600
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>19,600</u>	<u>19,600</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets			(602,424)	(602,424)
Proceeds from sale of assets			1,358	1,358
Interest paid on lease/SBITA			(2,926)	(2,926)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(603,992)</u>	<u>(603,992)</u>
Cash flows from investing activities:				
Sale (purchase) of investments	(355)	(443,534)	483,329	39,440
Interest on investments		452,522	137,932	590,454
Net cash provided by (used for) investing activities	<u>(355)</u>	<u>8,988</u>	<u>621,261</u>	<u>629,894</u>
Net increase (decrease) in cash and cash equivalents	<u>204</u>	<u>94,580</u>	<u>(482,421)</u>	<u>(387,637)</u>
Cash and cash equivalents at beginning of year	<u>1,445</u>	<u>4,853,847</u>	<u>1,891,235</u>	<u>6,746,527</u>
Cash and cash equivalents of end of year	<u>\$ 1,649</u>	<u>\$ 4,948,427</u>	<u>\$ 1,408,814</u>	<u>\$ 6,358,890</u>

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
RECONCILIATION OF OPERATING INCOME TO NET CASH
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>General Stock Account</u>	<u>Insurance Retention Fund</u>	<u>Central Services Fund</u>	<u>Total</u>
Operating income (loss)	\$	\$ 592,323	\$ (824,741)	\$ (232,418)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation			734,305	734,305
Change in assets and liabilities:				
(Increase) decrease in accounts receivable		41,613		41,613
(Increase) decrease in inventory	156,412			156,412
(Increase) decrease in due from other funds				0
(Increase) decrease in prepaid expenses		(141,965)	(9,826)	(151,791)
Increase (decrease) in accounts payable	4,147	(20,021)	12,893	(2,981)
Increase (decrease) in contracts payable		23,000	(69,845)	(46,845)
Increase (decrease) in due to other funds	(160,000)	4,670	39,602	(115,728)
Increase (decrease) in deposits		(7,965)		(7,965)
Increase (decrease) in claims and judgments		(401,864)		(401,864)
Increase (decrease) in deferred revenue		(25,000)		(25,000)
Increase (decrease) in SBITA			(494,337)	(494,337)
Increase (decrease) in compensated absences		3,682	(13,309)	(9,627)
Increase (decrease) in net OPEB obligation		(12,560)	(86,114)	(98,674)
Increase (decrease) in net pension liability		29,679	192,082	221,761
Net cash provided by (used for) operating activities	\$ <u>559</u>	\$ <u>85,592</u>	\$ <u>(519,290)</u>	\$ <u>(433,139)</u>

Noncash investing, capital, and financing activities:

	<u>General Stock Account</u>	<u>Insurance Retention Fund</u>	<u>Central Services Fund</u>	<u>Total</u>
SBITA agreements initiated in current year	\$	\$	\$ 1,302,032	\$ 1,302,032



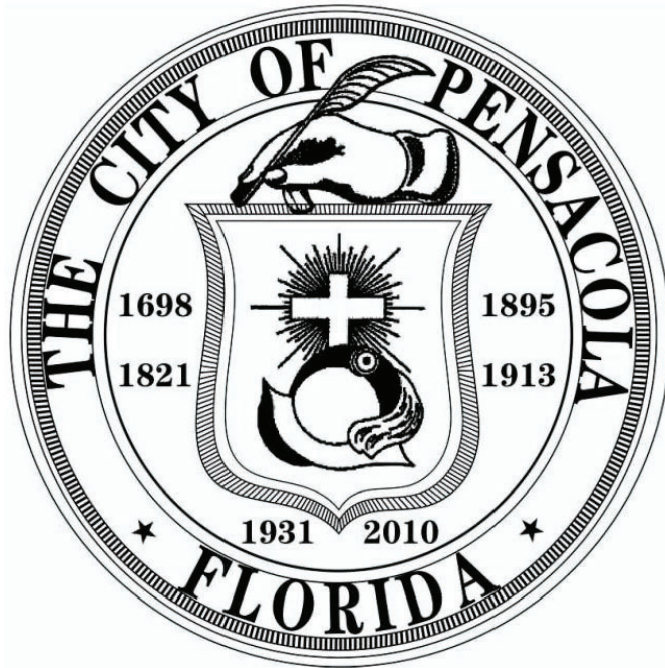
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CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024

	General Pension and Retirement Fund	Firefighter's Relief and Pension Fund	Police Officers' Retirement Fund	Total Pension Trust Funds
ASSETS				
Other cash	\$ 84,929	\$ 380,534	\$ 333,976	\$ 799,439
Receivables:				
Employer	180	325	156	661
Employee	9,915	35,743	8,088	53,746
Private trust funds			82,143	82,143
Due from other funds	5			5
Total receivables	<u>10,100</u>	<u>36,068</u>	<u>90,387</u>	<u>136,555</u>
Investments :				
Short term investments	2,406,134	3,678,233	1,944,330	8,028,697
Debt Securities & Bond Mutual Funds	46,001,353	25,026,362	18,915,332	89,943,047
Convertible Corporate Bonds	11,021,801	11,613,334		22,635,135
Stock Mutual Funds	8,665,790	28,647,978		37,313,768
Mortgage Backed Securities	5,595,873	13,750,816	10,798,775	30,145,464
Commingled Trust Fund	8,422,714	8,284,060	23,380,035	40,086,809
Domestic Stocks	44,963,088	39,628,483	68,171,281	152,762,852
Preferred Stocks	264,005	276,476		540,481
Foreign Stocks	<u>22,539,847</u>	<u>2,735,637</u>	<u>12,115,257</u>	<u>37,390,741</u>
Total investments	<u>149,880,605</u>	<u>133,641,379</u>	<u>135,325,010</u>	<u>418,846,994</u>
Total assets	<u>\$ 149,975,634</u>	<u>\$ 134,057,981</u>	<u>\$ 135,749,373</u>	<u>\$ 419,782,988</u>
LIABILITIES				
Accounts payable	\$ 109,268	\$ 145,773	\$ 63,506	\$ 318,547
Total liabilities	<u>109,268</u>	<u>145,773</u>	<u>63,506</u>	<u>318,547</u>
NET POSITION				
Restricted for pension benefits	<u>\$ 149,866,366</u>	<u>\$ 133,912,208</u>	<u>\$ 135,685,867</u>	<u>\$ 419,464,441</u>

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Pension and Retirement Fund	Firefighter's Relief and Pension Fund	Police Officers' Retirement Fund	Total Pension Trust Funds
Additions:				
Contributions - city	\$ 5,604,123	\$ 1,239,610	\$ 3,411,441	\$ 10,255,174
Contributions - employee	265,284	847,882	194,544	1,307,710
Commission recapture	127	4	5,091	5,222
Insurance proceeds - State of Florida		942,123	847,852	1,789,975
Total contributions	<u>5,869,534</u>	<u>3,029,619</u>	<u>4,458,928</u>	<u>13,358,081</u>
Investment income				
Net appreciation/(loss)				
in fair value of investments	18,441,510	18,646,255	21,375,335	58,463,100
Interest and dividends	<u>4,411,352</u>	<u>2,824,015</u>	<u>3,271,660</u>	<u>10,507,027</u>
	22,852,862	21,470,270	24,646,995	68,970,127
Less investment expense	<u>586,158</u>	<u>577,775</u>	<u>507,275</u>	<u>1,671,208</u>
Net investment income	<u>22,266,704</u>	<u>20,892,495</u>	<u>24,139,720</u>	<u>67,298,919</u>
Total additions	<u>28,136,238</u>	<u>23,922,114</u>	<u>28,598,648</u>	<u>80,657,000</u>
Deductions:				
Pensions paid - employees	10,810,536	8,060,590	7,319,011	26,190,137
Pensions paid - widows	2,181,147	1,116,537	807,115	4,104,799
Pensions paid - children	2,862			2,862
Refunds to employees		30,539		30,539
Deferred retirement option plan	279,433	1,066,810	126,226	1,472,469
Health insurance assistance	90,188			90,188
Administrative expenses	<u>158,376</u>	<u>140,621</u>	<u>145,321</u>	<u>444,318</u>
Total deductions	<u>13,522,542</u>	<u>10,415,097</u>	<u>8,397,673</u>	<u>32,335,312</u>
Change in net position	<u>14,613,696</u>	<u>13,507,017</u>	<u>20,200,975</u>	<u>48,321,688</u>
Net position restricted for pension benefits:				
Beginning of year	<u>135,252,670</u>	<u>120,405,191</u>	<u>115,484,892</u>	<u>371,142,753</u>
End of year	\$ <u><u>149,866,366</u></u>	\$ <u><u>133,912,208</u></u>	\$ <u><u>135,685,867</u></u>	\$ <u><u>419,464,441</u></u>



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STATISTICAL SECTION

This part of the City of Pensacola's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Financial Trends - These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

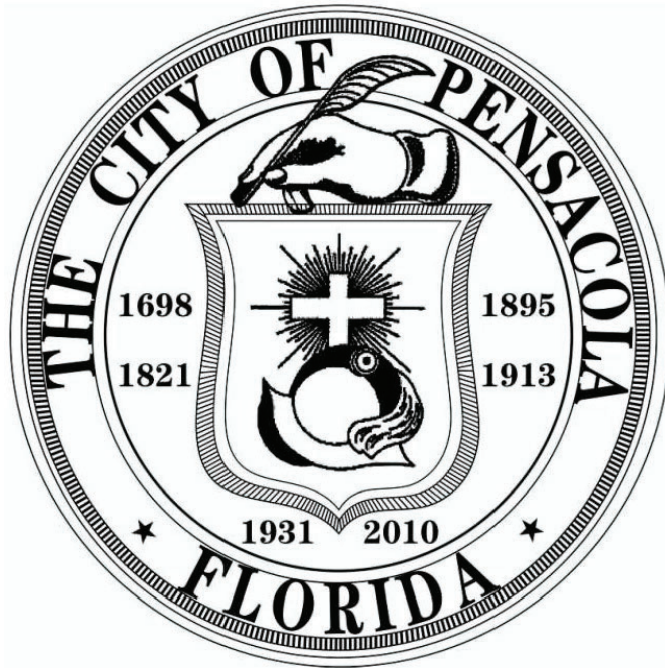
Revenue Capacity - These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property, sales taxes, and utility revenue.

Debt Capacity - These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future. Note the city has no general obligation debt.

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make a comparison over time and with other governments.

Operating Information - These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*



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FINANCIAL TRENDS

CITY OF PENSACOLA, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General Government	\$ 11,459,325	\$ 10,675,142	\$ 13,421,994	\$ 12,382,833	\$ 12,101,937	\$ 14,024,575	\$ 12,380,195	\$ 18,281,895	\$ 18,703,847	\$ 19,344,410
Public safety	31,187,510	32,478,560	41,001,683	37,978,435	36,484,101	40,407,906	33,074,865	30,403,609	47,513,896	52,945,798
Transportation	3,205,374	4,051,784	2,896,355	4,057,926	5,333,798	6,768,664	7,746,788	8,616,365	9,579,297	9,986,044
Culture and recreation	14,030,560	13,467,494	13,651,877	13,787,334	14,315,481	14,374,666	16,196,710	18,695,537	17,947,317	18,038,922
Economic environment	16,362,079	16,502,619	17,947,509	18,318,018	16,877,887	17,914,891	18,373,202	18,189,837	19,906,544	21,209,080
Physical environment	5,470,198	3,146,051	4,218,895	4,033,681	5,524,973	7,903,072	13,195,272	5,331,122	8,444,383	7,526,155
Human services	30,000	30,000	30,000	30,000	14,492,331 (c)	9,453,927	30,000	21,666		
Unallocated depreciation	3,592,828	3,898,588	4,139,867	2,025,235	1,917,285	1,797,534	1,716,378	1,682,419	1,638,021	1,623,010
Interest on long-term debt	5,091,611	5,139,876	4,514,339	4,324,860	5,953,180	3,144,298	2,909,320	2,726,705	2,589,840	2,449,522
Total governmental activities expenses	90,429,485	89,390,094	101,822,519	96,938,322	113,000,973	115,789,533	105,622,730	103,949,155	126,323,145	133,142,941
Business-type activities:										
Utility	30,526,216	31,136,870	33,575,070	34,940,330	34,105,382	31,835,300	32,896,169	55,485,713	50,567,655	40,695,251
Sanitation	6,115,820	6,883,649	7,385,517	6,901,117	7,488,155	7,805,854	7,884,591	8,030,589	8,778,303	8,085,647
Port	2,609,159	2,601,580	2,869,779	2,615,462	2,713,331	3,521,004	3,070,577	3,785,115	3,598,499	3,701,417
Airport	23,833,660	25,085,705	25,102,535	26,533,722	28,606,833	28,398,131	26,204,842	28,985,688	33,370,793	39,275,667
Total business-type activities expenses	63,084,855	65,707,804	68,932,901	70,990,631	72,913,701	71,560,289	70,056,179	96,287,065	96,315,250	91,737,982
Total primary government expenses	\$ 153,514,340	\$ 155,097,898	\$ 170,755,420	\$ 167,928,953	\$ 185,914,674	\$ 187,349,822	\$ 175,678,909	\$ 200,236,220	\$ 222,638,395	\$ 224,880,923
Program Revenues										
Governmental activities:										
Charges for Services:										
General Government	\$ 538,272	\$ 540,401	\$ 492,954	\$ 296,437	\$ 286,817	\$ 1,220,454	\$ 261,078	\$ 153,200	\$ 316,530	\$ 378,339
Public safety	2,304,786	2,165,304	2,434,239	2,191,063	2,553,611	2,584,504	3,856,136	3,846,061	3,877,867	3,289,626
Transportation	636,372	722,452	808,801	695,121	738,270	967,281	1,817,144	2,128,911	2,080,499	2,710,873
Culture and recreation	2,817,702	3,064,679	2,996,558	2,826,837	2,777,016	1,749,952	2,605,833	2,647,772	2,941,634	2,655,130
Physical environment	2,609,127	2,785,085	2,713,930	2,779,337	2,845,664	2,845,965	2,902,846	2,994,884	3,142,705	4,732,452
Operating grants and contributions	19,435,541	20,937,879	20,751,603	21,219,767	36,160,940	32,131,025	31,148,673	48,204,504	36,252,808	32,352,377
Capital grants and contributions	9,770,999	5,240,998	5,952,566	3,239,646	2,533,119	1,675,802	938,171	1,303,263	1,241,271	3,067,474
Total governmental activities program revenues	38,112,799	35,456,798	36,150,651	33,248,208	47,895,437	43,174,983	43,529,881	61,278,595	49,853,314	49,186,271
Business-type activities:										
Charges for Services										
Utility	45,466,269	43,278,297	44,741,994	49,914,141	50,231,748	46,608,310	50,804,613	69,715,079	59,780,737	53,371,891
Sanitation	7,060,514	7,084,148	7,190,675	7,744,185	8,255,120	8,439,456	8,867,686	9,355,523	9,946,996	8,374,096
Port	1,900,212	1,609,280	1,058,964	1,259,626	2,400,834	2,740,267	2,809,593	2,881,597	2,870,396	2,522,255
Airport	21,073,261	21,887,992	21,638,635	23,190,940	25,921,379	20,718,662	22,276,241	28,883,526	31,329,994	35,120,244
Operating grants and contributions	8,685,517	12,843,595	28,704,147	24,610,034	10,172,410	16,912,674	17,894,768	59,978,639	33,543,067	18,967,656
Capital grants and contributions	84,185,773	86,703,312	103,334,415	106,718,926	96,981,491	95,419,369	108,519,631	170,814,364	137,471,190	118,356,142
Total business-type activities program revenues	\$ 122,298,572	\$ 122,160,110	\$ 139,485,066	\$ 139,967,134	\$ 144,876,928	\$ 138,594,352	\$ 152,049,512	\$ 232,092,959	\$ 187,324,504	\$ 167,542,413
Total primary government program revenues	\$ 160,411,371	\$ 157,616,908	\$ 175,635,717	\$ 173,215,342	\$ 192,772,366	\$ 181,769,335	\$ 195,579,393	\$ 293,371,554	\$ 247,177,818	\$ 216,728,684

(continued)

CITY OF PENSACOLA, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental activities	\$ (52,316,686) \$	(53,933,296) \$	(65,671,868) \$	(63,690,114) \$	(65,105,536) \$	(72,614,550) \$	(62,092,849) \$	(42,670,560) \$	(76,469,831) \$	(83,956,670) \$
Business-type activities	21,100,918	20,995,508	34,401,514	35,728,295	24,067,790	23,859,080	38,463,452	74,527,299	41,155,940	26,618,160
Total primary government net expenses	<u>\$ (31,215,768) \$</u>	<u>(32,937,788) \$</u>	<u>(31,270,354) \$</u>	<u>(27,961,819) \$</u>	<u>(41,037,746) \$</u>	<u>(48,755,470) \$</u>	<u>(23,629,397) \$</u>	<u>31,856,739 \$</u>	<u>(35,313,891) \$</u>	<u>(57,338,510) \$</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 12,728,973 \$	13,312,773 \$	13,781,024 \$	14,638,449 \$	15,718,156 \$	\$ 16,953,100 \$	\$ 18,137,244 \$	\$ 19,640,104 \$	\$ 21,873,778 \$	\$ 24,464,687 \$
Public service taxes and franchise fees	16,339,157	16,000,690	16,092,524	17,222,374	17,135,120	17,097,763	17,473,081	19,100,875	19,955,379	19,284,664
Communication services tax	3,026,561	3,127,266	2,853,565	3,095,646	3,069,511	3,185,927	3,159,425	2,906,976	2,934,967	3,258,330
Local business tax	909,057	914,773	902,333	915,792	939,973	944,046	918,590	929,411	938,060	945,409
Local option gasoline tax	1,541,616	1,585,310	1,353,590	1,365,613	1,364,246	1,301,270	1,431,737	1,428,853	1,477,395	1,423,954
Local option sales tax	7,337,154	7,662,504	7,881,842	8,524,108	8,901,413	8,698,808	10,718,928	12,234,245	12,194,355	12,212,289
Intergovernmental revenues	6,719,109	6,846,265	6,999,518	7,330,410	7,630,878	7,485,820	8,225,603	9,831,242	9,754,477	9,414,585
Unrestricted investment earnings	1,939,068	2,026,216	1,780,315	946,252	1,683,080	1,358,607	326,148	590,532	2,265,910	4,396,700
Insurance recoveries								272,997		
Miscellaneous	4,872	14,316	139,669	35,573	29,113	38,755	58,984	199,714	226,811	373,197
Net gain (loss) on sale of asset	56,851		1,496,281	2,529,358	708,896	94,056	84,366	65,623	97,367	225,719
Special item	5,351,922 (a)		14,266,276 (b)				689,131			
Transfers	8,070,459	8,000,000	8,000,000	8,000,000	7,282,376	5,752,854	6,966,490	7,226,404	7,229,019	10,914,627
Overhead transfers	2,376,600	2,355,500	2,458,900	2,480,300	2,662,700	2,708,800	2,839,300	3,066,900	2,822,500	3,008,500
Total governmental activities	<u>66,401,399</u>	<u>61,845,613</u>	<u>78,005,837</u>	<u>67,083,875</u>	<u>67,125,462</u>	<u>65,619,806</u>	<u>71,029,027</u>	<u>77,493,876</u>	<u>81,770,018</u>	<u>89,922,661</u>
Business-type activities:										
Unrestricted investment earnings	170,836	215,216	467,169	837,949	1,353,089	1,281,334	377,237	931,927	4,181,440	6,351,988
Insurance recoveries							1,650,924			
Miscellaneous	511,037	424,772	919,630	753,915	605,249	515,442	635,705	703,755	915,681	556,307
Net gain (loss) on sale of asset	19,196		64,870	29,531	112,180	75,921	93,536	60,760	9,200	33,073
Transfers	(8,070,459)	(8,000,000)	(8,000,000)	(8,000,000)	(7,282,376)	(5,752,854)	(6,966,490)	(7,226,404)	(7,229,019)	(10,914,627)
Overhead transfers	(2,376,600)	(2,355,500)	(2,458,900)	(2,480,300)	(2,662,700)	(2,708,800)	(2,839,300)	(3,066,900)	(2,822,500)	(3,008,500)
Total business-type activities	<u>(9,745,990)</u>	<u>(9,715,512)</u>	<u>(9,007,231)</u>	<u>(8,858,905)</u>	<u>(7,874,558)</u>	<u>(6,588,957)</u>	<u>(7,048,388)</u>	<u>(8,596,862)</u>	<u>(4,945,198)</u>	<u>(6,981,759)</u>
Total primary government	<u>\$ 56,655,409 \$</u>	<u>52,130,101 \$</u>	<u>68,998,606 \$</u>	<u>58,224,970 \$</u>	<u>59,250,904 \$</u>	<u>\$ 59,030,849 \$</u>	<u>\$ 63,980,639 \$</u>	<u>\$ 68,897,014 \$</u>	<u>\$ 76,824,820 \$</u>	<u>\$ 82,940,902 \$</u>
Change in Net Position										
Governmental activities	\$ 14,084,713 \$	7,912,317 \$	12,333,969 \$	3,393,761 \$	2,019,926 \$	(6,994,744) \$	8,936,178 \$	34,823,316 \$	5,300,187 \$	5,965,991 \$
Business-type activities	11,354,928	11,279,996	25,394,283	26,869,390	16,193,232	17,270,123	31,415,064	65,930,437	36,210,742	19,636,401
Total primary government	<u>\$ 25,439,641 \$</u>	<u>19,192,313 \$</u>	<u>37,728,252 \$</u>	<u>30,263,151 \$</u>	<u>18,213,158 \$</u>	<u>\$ 10,275,379 \$</u>	<u>\$ 40,351,242 \$</u>	<u>\$ 100,753,753 \$</u>	<u>\$ 41,510,929 \$</u>	<u>\$ 25,602,392 \$</u>

Note s:

- (a) In FY 15, BP claim was settled for the BP Deep Horizon Oil Spill in 2010 and the City was awarded \$5,351,922
(b) In FY 17 , the City cancelled the \$54,079,902 loan the CTA Investment Fund, LLC made to CMTA and the loan the City made to CTA Investment Fund, LLC which resulted in a net gain to the City of \$14,266,276.
(c) In FY 19, the City created the Hospital Special Assesment Fund to account for the receipts from local hospitals and subsequently submit to the State for health care provisions.

CITY OF PENSACOLA, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2015 (a)	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 173,000,255	\$ 163,348,312	\$ 190,491,657	\$ 191,203,167	\$ 186,615,457	\$ 186,703,675	\$ 190,220,754	\$ 192,144,576	\$ 197,105,128	\$ 197,344,530
Restricted	27,838,599	35,352,306	29,751,412	23,754,264	24,688,258	29,203,635	24,748,663	27,110,940	25,290,316	33,499,680
Unrestricted	(63,328,173)	(53,277,620)	(62,486,102)	(58,653,937)	(52,980,295)	(64,578,634)	(54,704,563)	(23,526,321)	(21,366,062)	(22,120,056)
Total governmental activities net position	\$ 137,510,681	\$ 145,422,998	\$ 157,756,967	\$ 156,303,494	\$ 158,323,420	\$ 151,328,676	\$ 160,264,854	\$ 195,729,195	\$ 201,029,382	\$ 208,724,154
Business-type activities										
Net investment in capital assets	\$ 135,878,607	\$ 142,842,026	\$ 168,168,989	\$ 186,225,485	\$ 194,787,731	\$ 198,846,540	\$ 212,977,675	\$ 268,611,152	\$ 282,278,975	\$ 290,299,563
Restricted	9,904,200	9,956,165	10,497,398	12,176,912	13,227,612	13,905,112	20,333,112	22,407,112	24,857,112	59,583,359
Unrestricted	20,040,759	24,305,371	23,831,458	29,067,346	35,647,632	48,181,446	59,037,375	67,423,400	87,511,964	62,672,749
Total business-type activities net position	\$ 165,823,566	\$ 177,103,562	\$ 202,497,845	\$ 227,469,743	\$ 243,662,975	\$ 260,933,098	\$ 292,348,162	\$ 358,441,664	\$ 394,648,051	\$ 412,555,671
Primary government										
Net investment in capital assets	\$ 308,878,862	\$ 306,190,338	\$ 358,660,646	\$ 377,428,652	\$ 381,403,188	\$ 385,550,215	\$ 403,198,429	\$ 460,755,728	\$ 479,384,103	\$ 487,644,093
Restricted	37,742,799	45,308,471	40,248,810	35,931,176	37,915,870	43,108,747	45,081,775	49,518,052	50,147,428	93,083,039
Unrestricted	(43,287,414)	(28,972,249)	(38,654,644)	(29,586,591)	(17,332,663)	(16,397,189)	4,332,812	43,897,079	66,145,902	40,552,693
Total primary government net position	\$ 303,334,247	\$ 322,526,560	\$ 360,254,812	\$ 383,773,237	\$ 401,986,395	\$ 412,261,774	\$ 452,613,016	\$ 554,170,859	\$ 595,677,433	\$ 621,279,825

Notes: (a) The City implemented GASB Statement 68 in fiscal year 2015.

CITY OF PENSACOLA, FLORIDA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Function/Programs	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General government	\$ 3,283,833	\$ 3,427,107	\$ 3,700,398	\$ 3,901,755	\$ 4,479,037	\$ 6,187,932	\$ 6,211,248	\$ 12,180,037	\$ 10,592,312	\$ 10,866,757
Public safety	2,484,036	2,349,489	2,666,971	2,280,040	2,818,481	2,677,146	4,743,763	4,208,681	4,053,510	3,767,244
Transportation	2,807,030	1,911,016	808,801	695,121	747,358	967,281	2,252,364	10,864,110	3,614,261	3,081,632
Culture and recreation	6,822,539	5,076,963	4,168,728	3,916,783	4,118,589	1,819,592	5,802,050	12,715,325	5,191,135	5,388,005
Economic environment	16,793,245	17,147,764	17,850,657	17,484,499	16,858,471	17,662,062	18,985,778	17,984,432	19,175,383	20,633,872
Physical environment	5,922,116	5,544,459	6,955,096	4,970,010	4,411,169	4,437,043	5,534,678	3,326,010	7,226,713	5,448,761
Human services					14,462,332 (a)	9,423,927				
Total governmental activities	38,112,799	35,456,798	36,150,651	33,248,208	47,895,437	43,174,983	43,529,881	61,278,595	49,853,314	49,186,271
Business-type activities:										
Utility	45,939,470	43,761,940	45,297,295	50,548,308	50,231,748	46,608,310	50,804,613	69,715,079	60,319,429	53,896,398
Sanitation	7,074,746	7,084,148	7,192,089	7,744,185	8,255,120	9,620,538	8,867,686	10,395,004	9,946,996	8,374,096
Port	2,108,450	2,457,376	2,753,554	4,971,116	5,186,090	3,156,635	3,842,119	3,321,881	3,435,479	4,152,589
Airport	29,063,107	33,399,848	48,091,477	43,455,317	33,308,533	36,033,886	45,005,213	87,382,400	63,769,286	51,933,059
Total business-type activities	84,185,773	86,703,312	103,334,415	106,718,926	96,981,491	95,419,369	108,519,631	170,814,364	137,471,190	118,356,142
Total primary government	\$ 122,298,572	\$ 122,160,110	\$ 139,485,066	\$ 139,967,134	\$ 144,876,928	\$ 138,594,352	\$ 152,049,512	\$ 232,092,959	\$ 187,324,504	\$ 167,542,413

Notes: (a) In FY 19, the City created the Hospital Special Assessment Fund to account for the receipts from local hospitals and subsequently submit to the State for health care provisions.

CITY OF PENSACOLA, FLORIDA
FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Non-spendable	\$ 31,016	\$ 28,729	\$ 23,339	\$ 23,422	\$ 26,635	\$ 50,814	\$ 43,890	\$ 48,499	\$ 58,739	\$ 439,144
Restricted	632,697	665,283	891,857	1,038,512	880,968	1,064,330	1,154,652	1,191,930	2,425,112	3,057,843
Committed	9,210,488	10,143,175	11,694,280	14,017,235	14,397,663	14,628,212	14,620,074	14,677,876	14,928,663	16,204,090
Assigned	2,761,806	2,640,289	2,692,973	4,591,459	7,170,387	9,236,622	9,879,232	9,881,458	11,415,117	11,722,500
Unassigned	1,102,141	1,128,736	1,721,705	208,800	1,516,294	537,926	98,402	3,222,097	2,408,440	728,157
Total General Fund	\$ 13,738,148	\$ 14,606,212	\$ 17,024,154	\$ 19,879,428	\$ 23,991,947	\$ 25,517,904	\$ 25,796,250	\$ 29,021,860	\$ 31,236,071	\$ 32,151,734
All Other Governmental Funds										
Non-spendable	\$ 7,510,198	\$ 3,437,808	\$ 3,519,866	\$ 17,153	\$ 19,944	\$ 20,867	\$ 18,040	\$ 24,383	\$ 27,376	\$ 169,493
Restricted	58,928,951	75,306,214 (a)	38,838,782	53,562,885	62,274,000	56,111,278	49,200,597	47,574,085	37,780,305	40,792,937
Committed	5,760,423	6,525,521	5,888,016	5,181,575	5,571,152	4,191,794	3,121,347	4,494,441	6,767,470	7,244,871
Assigned	3,137,792	1,712,813	867,343	716,721	872,612	4,844,743	6,913,127	7,710,896	11,593,691	11,498,243
Unassigned	(7,341,255)	(6,642,268)	(8,547,881)	(260,165)	(415,247)	(8,620,052)	(15,550,037)	(3,962,014)	(3,281,408)	(687,826)
Total all other governmental funds	\$ 67,996,109	\$ 80,340,068	\$ 40,566,126	\$ 59,218,169	\$ 68,322,461	\$ 56,548,630	\$ 43,703,074	\$ 55,841,791	\$ 52,887,434	\$ 59,017,718

Notes:

(a) Increase in restricted fund balance is related to the unsent bond proceeds in the Local Option Gas Tax Project Fund.

CITY OF PENSACOLA, FLORIDA
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
Revenues	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Taxes	\$ 33,316,544	\$ 34,076,354	\$ 34,883,249	\$ 37,034,176	\$ 38,493,239	\$ 39,663,462	\$ 43,132,137	\$ 46,421,093	\$ 49,184,082	\$ 51,974,134
Licenses and permits	1,346,721	1,415,580	1,771,849	1,593,488	1,751,816	1,797,767	3,124,299	2,858,523	2,688,873	2,290,835
Franchise fees	8,565,974	8,289,710	8,218,881	8,727,806	8,635,180	8,517,452	8,706,868	9,819,371	10,189,852	9,615,200
Intergovernmental	34,883,053	31,227,672	31,348,598	30,882,832	31,258,032	32,281,626	39,864,893	58,976,026	45,786,490	43,427,167
Charges for services	6,634,483	6,995,182	7,008,094	6,621,643	6,763,745	6,058,848	7,894,124	8,402,116	8,863,288	10,606,087
Fines and forfeits	318,933	286,782	153,648	166,780	271,104	239,869	147,436	280,272	144,226	539,604
Assessments	14,347	27,187	78,741	52,326	14,519,578	9,462,697	52,383	14,748	15,239	27,969
Interest income	1,943,368	2,045,038	1,812,692	994,564	1,714,509	1,401,730	341,669	579,606	2,589,126	3,806,245
Donations	106,536	1,017,668	2,011,038	1,125,245	71,160	20,498	87,071	246,302	801,989	1,283,060
Other	915,518	1,320,438	775,965	840,582	647,406	713,365	681,761	948,697	754,366	1,114,583
Total revenues	88,045,477	86,701,611	88,062,755	88,039,442	104,125,769	100,157,314	104,032,641	128,546,754	121,017,531	124,684,884
Expenditures										
Current -										
General government	9,763,178	8,731,145	8,756,239	9,394,210	9,315,718	10,686,826	11,221,735	16,371,718	14,664,641	16,679,478
Public safety	33,344,112	32,344,989	31,692,091	32,948,093	33,820,334	35,378,579	37,090,021	38,774,148	40,953,265	44,644,026
Transportation	3,002,495	3,703,713	2,601,106	2,484,138	3,030,089	3,966,855	5,044,289	5,411,710	5,249,321	6,069,209
Culture and recreation	9,888,492	8,961,041	8,901,116	9,207,741	9,255,731	9,168,428	12,575,652	14,054,641	12,237,409	12,348,841
Economic environment	16,379,088	16,512,073	17,840,723	17,613,088	16,821,741	17,765,989	18,572,942	18,375,011	19,626,665	21,144,390
Physical environment	5,596,702	3,345,057	4,089,950	3,233,928	4,190,835	5,791,302	11,828,268	3,879,288	6,141,812	5,415,530
Human services	30,000	30,000	30,000	30,000	14,492,331	9,453,927	30,000	21,666		
Capital outlay	10,770,532	12,963,404	18,210,965	23,324,603	14,190,938	14,818,379	17,316,526	15,963,344	21,935,926	15,976,403
Debt service -										
Principal retirement	3,520,000	3,695,000	4,561,000	7,740,418	6,332,419	6,593,729	7,048,568	5,483,571	5,591,068	5,724,612
Interest	5,602,755	5,600,516	5,182,598	3,934,010	4,240,349	2,625,797	2,961,332	2,780,201	2,644,897	2,506,223
Total expenditures	97,897,354	95,886,938	101,865,788	109,910,229	115,690,485	116,249,811	123,689,333	121,115,298	129,045,004	130,508,712
Excess (deficiency) of revenues over (under) expenditures	(9,851,877)	(9,185,327)	(13,803,033)	(21,870,787)	(11,564,716)	(16,092,497)	(19,656,692)	7,431,456	(8,027,473)	(5,823,828)

(continued)

CITY OF PENSACOLA, FLORIDA
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other financing sources (uses)										
Transfers in	22,172,579	21,700,560	22,697,499	18,645,522	23,813,700	22,556,620	25,216,696	24,561,143	21,029,094	24,523,331
Transfers (out)	(14,379,367)	(13,525,081)	(13,388,403)	(10,645,522)	(16,531,324)	(16,803,766)	(18,250,206)	(17,334,739)	(13,805,631)	(13,606,697)
Capital Lease Note Issuance	6,460,954 (c)									
Loan proceeds			100,000		58,140,000					
Sale of capital assets	55,366		1,487,365	2,526,004	701,970	91,769	84,366	65,190	63,864	224,360
Insurance recoveries			20,000							
Payment to refund debt					(41,182,811)					
Bonds Issued		14,314,000	5,389,000	33,000,000						
Issuance Cost		(92,109)	(44,822)	(147,900)	(160,008)					
Total other financing sources (uses)	14,309,532	22,397,370	16,260,639	43,378,104	24,781,527	5,844,623	7,050,856	7,291,594	7,287,327	11,140,994
Net change in fund balances										
before prior period adjustments/special items	4,457,655	13,212,043	2,457,606	21,507,317	13,216,811	(10,247,874)	(12,605,836)	14,723,050	(740,146)	5,317,166
Special Item-MMTC Unwind			(39,813,626) (d)							
Special item - BP Settlement	5,351,922 (b)						38,626	641,277		1,728,781 (e)
Special item - Parking Transfer										
PPA/Change in accounting principle										
Special item - Residual Equity Transfer										
Net change in fund balances	\$ 9,809,577	\$ 13,212,043	\$ (37,356,020)	\$ 21,507,317	\$ 13,216,811	\$ (10,247,874)	\$ (12,567,210)	\$ 15,364,327	\$ (740,146)	\$ 7,045,947
Debt service as a percentage of										
noncapital expenditures	10.47%	11.21%	11.65%	13.48%	10.42%	9.09%	9.41%	7.86%	7.69%	7.19%

Notes:

- (a) In FY 14, Maritime Community Construction Fund was closed and residual equity transfers were made to the CRA and Debt Service Fund.
(b) In FY 15, BP claim was settled for the BP Deep Horizon Oil Spill in 2010 and the City was awarded \$5,351,922.
(c) In FY 15, Motorola released \$6,460,954 to finance the acquisition of technology related equipment.
(d) In FY 17, the City forgave the loan made with CTA Investment Fund, LLC of \$39,813,626.
(e) In FY 24, Code Enforcement was transferred from the Sanitation Fund (a proprietary fund) to its own governmental fund.

REVENUE CAPACITY

CITY OF PENSACOLA, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

Fiscal Year	City Of Pensacola		City Of Pensacola		Overlapping Rates			
	Total Direct Rate	Downtown Improvement Board	Escambia County School Board	Escambia County Library MSTU (a)	Escambia County Library MSTU (b)	Northwest Florida Water Management District		
2014	4.2895	2.0000	7.5570	6.6165	0.3590	0.0400		
2015	4.2895	2.0000	7.3220	6.6165	0.3590	0.0390		
2016	4.2895	2.0000	7.1130	6.6165	0.3590	0.0378		
2017	4.2895	2.0000	6.8760	6.6165	0.3590	0.0366		
2018	4.2895	2.0000	6.6310	6.6165	0.3590	0.0353		
2019	4.2895	2.0000	6.3250	6.6165	0.3590	0.0338		
2020	4.2895	2.0000	6.0430	6.6165	0.3590	0.0327		
2021	4.2895	2.0000	5.9280	6.6165	0.3590	0.0311		
2022	4.2895	2.0000	5.6570	6.6165	0.3590	0.0294		
2023	4.2895	2.0000	5.2740	6.6165	0.3590	0.0261		
2024	4.2895	2.0000	5.1440	6.6165	0.3590	0.0234		

Source: Escambia County Tax Collector

Notes: (a) Escambia County property tax rates do not include MSTU rate. The MSTU rate is a rate charged to County-Only residents.

(b) Beginning FY 2014 Escambia County began applying Library MSTU to fund the West Florida Public Library System. This MSTU is charged to both City and County properties.

**CITY OF PENSACOLA, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

	2024				2015			
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	
Taxpayer								
Sacred Heart Hospital	\$ 328,419,360	1	0.79%	\$	141,639,913	1	0.71%	
Florida Power & Light / Gulf Power	233,406,105	2	0.56%		112,850,509	2	0.57%	
Pensacola Southtowne Owner LLC	66,327,615	3	0.16%					
Chapins Landing	59,292,134	4	0.14%					
Simon Debartolo/Simon Properties	56,516,052	5	0.14%		39,909,212	4	0.20%	
Palmilla Residences LLC	42,268,359	6	0.10%					
Armstrong World Industries	38,392,777	7	0.09%		30,200,955	5	0.15%	
AHPC Cordove / Crestview	31,661,355	8	0.08%					
Hallmark Sterling Hill LLC	27,048,348	9	0.07%					
Walmart	26,115,237	10	0.06%		14,546,092	7	0.07%	
Baptist Hospital					51,790,503	3	0.26%	
Bellsouth/Southern Bell					15,856,882	6	0.08%	
Moulton Properties					12,651,159	9	0.06%	
Reichhold Inc./Arizona Chemical					14,235,868	8	0.07%	
Holi Corp					12,543,877	10	0.06%	
Total	\$ 909,447,342		2.19%	\$	446,224,970		2.25%	

Source: Escambia County Tax Collector

CITY OF PENSACOLA, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
PAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year (a)	Collected within the		Collections in Subsequent Years (c)	Totals Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount (d)	Percentage of Levy
		Amount (b)				
2015	\$ 13,156,494	12,701,481	96.5%	\$ 27,493	\$ 12,728,974	96.8%
2016	13,670,568	13,232,668	96.8%	80,105	13,312,773	97.4%
2017	14,260,035	13,768,035	96.6%	12,989	13,781,024	96.6%
2018	15,122,942	14,589,079	96.5%	49,369	14,638,448	96.8%
2019	16,218,558	15,655,210	96.5%	62,946	15,718,156	96.9%
2020	17,534,064	16,896,732	96.4%	56,368	16,953,100	96.7%
2021	18,748,372	18,093,919	96.5%	43,324	18,137,243	96.7%
2022	20,270,174	19,551,223	96.5%	88,881	19,640,104	96.9%
2023	22,572,035	21,831,672	96.7%	42,106	21,873,778	96.9%
2024	25,292,015	24,419,968	96.6%	44,719	24,464,687	96.7%

Source: Escambia County Tax Collector.

Notes: (a) The tax levy is based on the tax roll as certified by the Escambia County Property Appraiser.
(b) Current tax collections are after applicable discounts for early payment.
(c) Collections represent subsequent and current year delinquent revenues.
(d) Property taxes collected are accounted for in the General Fund.

CITY OF PENSACOLA, FLORIDA
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS
(in thousands of dollars)

	Calendar Year										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 (a)
General merchandise stores	\$ 741,251	\$ 747,540	\$ 796,846	\$ 764,661	\$ 772,478	\$ 804,314	\$ 837,736	\$ 922,191	\$ 915,586	\$ 941,767	\$ 704,341
Grocery stores	242,179	252,702	259,820	275,592	291,707	305,567	341,687	380,464	412,962	430,691	327,557
Hotels and apartments	239,013	260,427	278,032	292,298	325,431	350,089	489,496	451,104	489,960	487,906	396,410
Lumber and building materials	269,521	273,741	306,993	343,579	368,248	415,590	541,361	774,009	691,271	596,136	472,458
Manufacturing and mining	62,944	69,620	79,555	101,702	130,644	120,665	99,706	129,589	154,433	142,217	116,157
Motor vehicle dealers	823,294	861,382	902,727	948,633	995,785	1,067,119	1,071,133	1,307,066	1,290,219	1,293,052	987,113
Office space and commercial rentals	217,941	220,022	226,118	232,768	272,278	307,300	299,737	344,822	367,708	382,333	305,593
Restaurants and lunchrooms	576,942	614,241	645,724	674,666	698,068	728,320	656,232	843,664	921,954	983,332	769,889
Total	\$ 3,173,085	\$ 3,299,675	\$ 3,495,815	\$ 3,633,899	\$ 3,854,639	\$ 4,098,964	\$ 4,142,088	\$ 5,152,909	\$ 5,244,093	\$ 5,257,434	\$ 4,079,518
City direct sales tax rate (b)											

Source: Florida Department of Revenue

Notes: Data presented reflects Escambia County.

(a) 2024 data only represents the first nine months of the calendar year.

(b) The city has no direct tax rate. However, the city receives a portion of the proceeds from the Half Cent Sales Tax and the Local Option Sales Tax. The distribution of the proceeds of the Half Cents Sales Tax and the Local Option Sales Tax to the incorporated municipalities of the County are controlled by the formula set forth in Section 218.65 and 218.62, Florida Statutes.

CITY OF PENSACOLA, FLORIDA
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	Local Option Sales Tax		Half Cent Sales Tax	
	Escambia County		School District	
2015	1.00%		0.50%	
2016	1.00%		0.50%	
2017	1.00%		0.50%	
2018	1.00%		0.50%	
2019	1.00%		0.50%	
2020	1.00%		0.50%	
2021	1.00%		0.50%	
2022	1.00%		0.50%	
2023	1.00%		0.50%	
2024	1.00%		0.50%	

Source: City Budget Office

Note: The city has no direct tax rate. However, the city receives a portion of the proceeds from the Local Option Sales Tax. The distribution of the proceeds of the Local Option Sales Tax to the incorporated municipalities of the County are controlled by the formula set forth in Section 218.62, Florida Statutes.

CITY OF PENSACOLA, FLORIDA
SALES TAX REVENUE PAYERS BY INDUSTRY
CURRENT YEAR AND NINE YEARS AGO
(in thousands of dollars)

	2024		2015	
	<u>Tax Liability (a)</u>	<u>Percentage of Total</u>	<u>Tax Liability</u>	<u>Percentage of Total</u>
Retail trade			163,839	54.73%
Services	\$ 239,102	49.55%	60,285	20.14%
Manufacturing and mining	98,915	20.50%	3,778	1.26%
Wholesale trade	8,379	1.74%	7,558	2.52%
Construction	18,482	3.83%	18,250	6.10%
Finance, insurance, and real estate	38,315	7.94%	28,449	9.50%
Transportation and utilities	50,350	10.43%	12,972	4.33%
Agricultural	22,263	4.61%	1,607	0.54%
Other	2,823	0.59%	2,636	0.86%
	3,911	0.81%		
Total	<u>\$ 482,540</u>	<u>100.00%</u>	<u>299,374</u>	<u>100.00%</u>
	\$		\$	

Source: Florida Department of Revenue Office of Research

Notes: Data presented reflects Escambia County. Data is presented on the State Fiscal Year of July 1 - June 30.

(a) Tax liability represents the state percentage of the tax liability paid by businesses in Escambia County. Total tax liability was not available by industry for Escambia County.

CITY OF PENSACOLA, FLORIDA
PENSACOLA ENERGY
GAS SOLD IN MCFS BY TYPE OF CUSTOMER
LAST TEN FISCAL YEARS
(in thousands of Mcfs)

Type of Customer	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Residential -Inside City Limits	306	243	201	270	257	239	273	247	229	254
Residential -Outside City Limits	695	578	501	640	611	590	657	611	561	629
Commercial -Inside City Limits	310	301	298	324	326	292	306	302	294	316
Commercial -Outside City Limits	415	390	351	401	408	389	410	431	426	443
Municipal	25	24	22	25	23	24	25	25	22	23
Interruptible	1,046	944	639	647	707	690	674	674	608	631
Transportation	1,377	1,478	1,887	1,978	1,799	2,015	1,984	2,952	4,444	4,472
Total	<u>4,174</u>	<u>3,958</u>	<u>3,899</u>	<u>4,285</u>	<u>4,131</u>	<u>4,239</u>	<u>4,329</u>	<u>5,242</u>	<u>6,584</u>	<u>6,768</u>
Total direct rate per Mcf (a)	\$ 19.86	\$ 22.25	\$ 24.99	\$ 23.02	\$ 23.59	\$ 23.62	\$ 23.57	\$ 26.55	\$ 23.12	\$ 20.97

Source: Pensacola Energy

Notes: (a) Total direct rate per Mcf is calculated using residential in/out, commercial in/out, and municipal customers. Interruptible and transportation direct rates are not available.

CITY OF PENSACOLA, FLORIDA
PENSACOLA ENERGY
GAS RATES
LAST TEN FISCAL YEARS

Fiscal Year	Residential - Inside City Limits				Residential - Outside of City Limits				Commercial - Inside City Limits			
	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA		Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA		Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA	
			Rate per	Mcf (a)			Rate per	Mcf (a)			Rate per	Mcf (a)
2015(c)	9.22	7.74	7.51	10.30	9.57	7.47	7.47	16.33	7.74	7.74	7.23	7.23
2016(d)	9.21	7.73	9.54	10.29	9.56	9.54	9.54	16.31	7.73	7.73	8.17	8.17
2017	9.21	7.73	11.75	10.29	9.56	11.67	11.67	16.31	7.73	7.73	9.72	9.72
2018 (e)	9.52	7.99	8.51	10.63	9.88	8.49	8.49	16.85	7.99	7.99	7.40	7.40
2019 (f)	9.75	8.18	8.63	10.88	10.12	8.46	8.46	17.25	8.18	8.18	7.88	7.88
2020 (g)	9.94	8.34	8.27	11.09	10.31	8.25	8.25	17.58	8.34	8.34	7.29	7.29
2021	9.94	8.34	8.43	11.09	10.31	8.5	8.5	17.58	8.34	8.34	7.89	7.89
2022	9.94	8.34	14.15	11.09	10.31	14.14	14.14	17.58	8.34	8.34	12.80	12.80
2023	9.94	8.34	7.78	11.09	10.31	7.81	7.81	17.58	8.34	8.34	6.94	6.94
2024	9.94	8.34	6.35	11.09	10.31	6.31	6.31	17.58	8.34	8.34	6.18	6.18

Fiscal Year	Commercial - Outside of City Limits				Municipal				Interruptible and Transportation (b)			
	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA		Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA		Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA	
			Rate per	Mcf (a)			Rate per	Mcf (a)			Rate per	Mcf (a)
2015(c)	18.54	9.57	7.26	20.60	3.01	7.15	7.15	200.00	N/A	N/A	N/A	N/A
2016(d)	18.52	9.56	8.28	20.58	3.01	7.72	7.72	200.00	N/A	N/A	N/A	N/A
2017	18.52	9.56	9.88	20.58	3.01	8.70	8.70	200.00	N/A	N/A	N/A	N/A
2018 (e)	19.14	9.88	7.75	21.26	3.11	7.20	7.20	200.00	N/A	N/A	N/A	N/A
2019 (f)	19.60	10.12	7.79	21.77	3.18	7.26	7.26	200.00	N/A	N/A	N/A	N/A
2020 (g)	19.97	10.31	7.37	22.18	3.24	6.68	6.68	200.00	N/A	N/A	N/A	N/A
2021	19.97	10.31	7.92	22.18	3.24	7.23	7.23	200.00	N/A	N/A	N/A	N/A
2022	19.97	10.31	14.14	22.18	3.24	12.21	12.21	200.00	N/A	N/A	N/A	N/A
2023	19.97	10.31	7.24	22.18	3.24	6.93	6.93	200.00	N/A	N/A	N/A	N/A
2024	19.97	10.31	6.15	22.18	3.24	6.00	6.00	200.00	N/A	N/A	N/A	N/A

Source: Pensacola Energy

Notes: (a) The Purchase Gas Adjustment (PGA) is a monthly adjustment to the gas rate due to increases in the cost of gas purchased for resale.
The Weather Normalization Adjustment (WNA) is an adjustment to the gas rate to account for fluctuations in consumption due to colder or warmer weather during the months of October through March of the previous or current fiscal year. PGA and WNA rates are based on a yearly average. Both the base rate and the PGA/WNA rates need to be taking into consideration when determining the yearly rate per Mcf.
(b) Interruptible and transportation rates per Mcf are not reported as rates are negotiated on a customer by customer bases.
(c) The increase to rates took effect in the beginning of the monthly October 2014 billing cycle
(d) The decrease to rates took effect in the beginning of the monthly October 2015 billing cycle
(e) The increase to rates took effect in the beginning of the monthly October 2017 billing cycle
(f) The increase to rates took effect in the beginning of the monthly October 2018 billing cycle
(g) The increase to rates took effect in the beginning of the monthly October 2019 billing cycle

DEBT CAPACITY

CITY OF PENSACOLA, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(dollars in thousands, except for per capita)

Fiscal Year	Governmental Activities										Business-type Activities					Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)	
	Tax and Franchise Fee Bonds	Local Option Sales Tax Bond(s) (b)	Local Option Gas Tax Note	Community Redevelopment		Maritime		Community Park Loans Payable	Capital Leases	Lease/ SBITA	Gas			Airport					
				Notes	Construction Bonds	Community Park Bonds	Construction Bonds				Lease/ SBITA	Bonds/Notes	Revenue	Bonds/Notes	Revenue				Lease/ SBITA
2015	-	9,750	\$ -	-	-	43,787	\$ -	6,539	-	6,539	\$ -	8,585	\$ -	66,526		\$ 135,187	1.82%	437	
2016	-	6,660	14,314	-	-	43,190	-	6,501	-	6,501	-	6,510	63,069			140,244	1.85%	446	
2017	-	3,415	14,043	5,389	-	42,152	100	6,461	100	6,461	-	19,355	60,254			151,169	1.88%	479	
2018	-	25,000	12,750	13,008	-	41,074	80	4,915	80	4,915	-	16,830	59,988			173,645	2.16%	542	
2019	-	23,048	11,434	70,825	-	1,175	60	3,323	60	3,323	-	15,105	50,594			175,564	2.16%	552	
2020	-	20,957	10,094	70,495	-	-	40	1,685	-	1,685	-	13,346	48,075			164,692	1.86%	518	
2021	-	18,821	8,729	68,653	-	-	20	-	20	-	-	11,551	45,470			153,244	1.69%	472	
2022	-	16,640	7,339	66,760	-	-	-	-	-	-	4	9,719	36,981	293		137,439	1.37%	426	
2023	-	14,412	5,924	64,812	-	-	-	-	-	-	256	7,851	34,205	383		127,843	1.17%	394	
2024	-	12,136	4,483	62,805	-	-	-	-	-	-	999	5,946	31,333	279		117,981	1.05%	360	

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(a) See demographic and economic statistics schedule for personal income and population data. These ratios are calculated using Escambia County population and personal income for the corresponding calendar year.

(b) Capital Funding Revenue Bonds, Series 2010A were outstanding during fiscal years 2010-2017. The Infrastructure sales Surtax Revenue Bond, Series 2017 was issued in fiscal year 2018. The Series 2017 Bond shows as a note payable in the financial statements.

CITY OF PENSACOLA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES
AS OF SEPTEMBER 30, 2024
(dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Other Debt			
Escambia County			
Sales Tax Revenue Bonds/Notes	\$ 105,906	16.79%	\$ 17,782
Capital Improvement Bonds/Notes	26,817	16.79%	4,503
Lease & SBITA Payable	6,500	16.79%	1,091
Escambia County School District			
State Board of Education Bonds	558	16.79%	94
Sales Tax Revenue Bonds	23,801	16.79%	3,996
Certificates of Participation	68,091	16.79%	11,432
Lease & SBITA Payable	5,053	16.79%	848
Subtotal, overlapping debt			<u>39,746</u>
City Direct Debt			
City direct debt bond(s)/notes			79,424
City lease / SBITA payable			<u>999</u>
Subtotal, direct debt			<u>80,423</u>
Total direct and overlapping debt			\$ <u>120,169</u>

Source: Debt outstanding provided by Escambia County Clerks office.

Estimated percentages for Escambia County is obtained by dividing the city's population by the counties population.

Estimated percentages for Escambia County School Board is obtained by dividing the city's population by the counties population.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Pensacola. This process recognizes that, when considering the city's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every tax payer is a resident - and therefore responsible for repaying the debt - of each overlapping government.

Escambia County School District Bonds includes \$9,869,498 of unamortized premiums.

Escambia County Sales Tax Revenue Bonds, Series 2017 and Capital Improvement Refunding Revenue Bonds, Series 2018 includes \$10,948,129 of unamortized premiums.

CITY OF PENSACOLA, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(dollars in thousands)

Fiscal Year	Tax and Franchise Fee Bonds					Local Option Sales Tax Bonds				
	Public Service Tax	Half Cent Sales Tax	Electric Franchise Fee	Debt Service		Local Option Sales Tax	Debt Service		Coverage	
				Principal	Interest		Principal	Interest		
2015	\$ 7,773	\$ 4,192	\$ 6,110	\$ -	-	\$ 7,337	\$ 2,940	\$ 575	2.09	
2016	7,711	4,359	5,880	-	-	7,662	3,090	596	2.08	
2017	7,874	4,479	5,688	-	-	7,882	3,245	242	2.26	
2018	8,495	4,810	5,920	-	-	8,524	3,415	331	2.28	
2019	8,500	5,062	5,761	-	-	8,901	1,952	517	3.61	
2020	8,580	4,918	5,743	-	-	8,699	2,091	473	3.39	
2021	8,766	6,001	5,848	-	-	10,719	2,136	428	4.18	
2022	9,282	6,531	6,704	-	-	12,234	2,181	381	4.78	
2023	9,766	6,436	7,109	-	-	12,194	2,228	334	4.76	
2024	9,669	6,255	6,601	-	-	12,212	2,276	285	4.77	
Community Redevelopment Bond(s)										
Eastside Community Redevelopment Bond(s)										
Fiscal Year	Urban Core Tax Increment Revenues		Debt Service (g)		Coverage	Eastside Tax Increment Revenues		Debt Service		Coverage
			Principal	Interest				Principal	Interest	
2015	\$ 4,075	\$ 580	\$ 2,112	1.51		\$ -	\$ -	\$ -	-	-
2016	4,428	605	2,087	1.64		-	-	-	-	-
2017	4,794	1,045	2,064	1.54		104	-	-	-	-
2018	5,260	1,210	2,130	1.57		120	62	27	1.35	
2019	5,898	1,255	2,899	1.42		159	48	41	1.79	
2020	6,837	1,300	1,680	2.29		208	50	40	2.31	
2021	7,509	1,631	2,140	1.99		238	51	38	2.67	
2022	8,084	1,675	2,086	2.15		295	53	36	3.31	
2023	9,101	1,722	2,032	2.42		377	55	35	4.19	
2024	10,272	1,774	1,974	2.74		468	57	33	5.20	

(continued)

CITY OF PENSACOLA, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(dollars in thousands)

Fiscal Year	Westside Community Redevelopment Bond(s)				Local Option Gas Tax Revenue Bonds			
	Westside Tax Increment Revenues	Debt Service		Coverage	Local Option Gasoline Tax		Debt Service	Coverage
		Principal	Interest		Principal	Interest		
2015	\$ -	\$ -	-	-	\$ 1,542	\$ -	-	-
2016	-	-	-	-	1,462	-	-	-
2017	195	-	-	-	1,477	271	242	2.88
2018	307	194	85	1.10	1,366	1,293	245	0.89 (h)
2019	432	150	129	1.55	1,364	1,316	221	0.89 (h)
2020	637	155	124	2.28	1,301	1,340	197	0.85 (h)
2021	814	160	119	2.92	1,432	1,365	172	0.93 (h)
2022	1,203	165	114	4.31	1,429	1,390	147	0.93 (h)
2023	1,603	171	108	5.75	1,477	1,415	121	0.96 (h)
2024	2,204	177	103	7.87	1,424	1,441	95	0.93

Gas Revenue Bonds					
Fiscal Year	Utility Charges for Services	Less:		Net Available Revenue	Debt Service Coverage
		Operating Expense	(a)		
2015	\$ 45,783	\$ 29,947	\$	15,836	\$ 2,010 6.84
2016	43,642	30,450		13,192	2,075 5.70
2017	45,094	32,549		12,545	2,026 5.52
2018	50,240	33,788		16,452	2,525 5.65
2019	50,630	32,761		17,869	1,725 8.75
2020	46,951	30,186		16,765	1,759 8.21
2021	51,150	31,185		19,965	1,795 9.78
2022	70,088	53,631		16,457	1,832 8.04
2023	60,210	48,476		11,734	1,868 5.75
2024	53,774	38,626		15,148	1,905 7.42

(continued)

CITY OF PENSACOLA, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(dollars in thousands)

Airport Revenue Bonds												
Fiscal Year	Airport Revenues	Expenses		Operating/ (a)	Net Revenue	Debt Service		Coverage before Other Requirements	Other Requirements (b)	Coverage after Prepaid		
		Less Grant	Total			Principal	Interest					
2015	\$ 18,796	\$ 221	\$ 11,090	\$ 10,869	\$ 7,927	\$ 2,145	\$ 1,277	2.32	1,246	2.68		
2016	19,479	-	12,759	12,759	6,720	2,180	1,082	2.06	2,407	2.80		
2017	19,111	101	12,847	12,746	6,365	2,275	986	1.95	3,479	3.02		
2018	20,525	43	13,311	13,268	7,257	2,315	777	2.35	4,749	3.88		
2019	22,984	62	15,078	15,016	7,968	2,831	723	2.24	4,749	3.58		
2020	18,747	5,404 (j)	14,739	9,335	9,412	1,715	589	4.09	3,954	5.80		
2021	19,548	4,183 (j)	13,287	9,104	10,444	1,768	542	4.52	3,684	6.12		
2022	26,106	5,404 (j)	16,359	10,955	15,151	1,822	493	6.54	4,346	8.42		
2023	27,500	9,580 (j)	19,165	9,585	17,915	1,874	443	7.73	9,694	11.92		
2024	31,835	-	23,285	23,285	8,550	1,936	393	3.67	9,736	7.85		
Airport Revenue Note CFC											Airport Revenue Bonds PFC	

Airport Revenue Note CFC

Airport Revenue Bonds PFC

Fiscal Year	Customer Facility Charge	Less: Operating Expense	Net Available Revenue	Debt Service		Coverage (e)	Passenger Facility Charge	Debt Service		Coverage (f)
				Principal	Interest			Principal	Interest	
2015	\$ 2,424	\$ 720	\$ 1,704	\$ -	\$ 118	14.44	3,104	\$ 510	\$ 1,627	1.45
2016	2,415	640	1,775	-	94	18.88	3,127	535	1,600	1.46
2017	2,540	679	1,861	-	141	13.20	3,299	560	1,573	1.55
2018	2,730	711	2,019	-	228	8.86	3,876	590	1,543	1.82
2019	2,972	1,037	1,935	-	176	10.99	4,323	263	658	4.69
2020	2,003	1,767	236	-	114	2.07	2,859	804	917	1.66
2021	2,759	588	2,171	-	51	42.57	4,318	836	885	2.51
2022	2,828	167	2,661	-	12	221.75	4,865	868	852	2.83
2023	3,110	857	2,253	-	-	-	5,718	902	817	3.33
2024	3,300	1,029	2,271	-	-	-	6,794	936	781	3.96

Source: City Finance Office

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Interest consist of both variable and fixed rates.

(a) Operating expenses are net of depreciation expenses.

(b) The other requirements amount is comprised of the prior year's coverage plus non-obligated capital improvements and any excess operating funds.

(c) Excludes debt payments which were paid with bond proceeds.

(d) Excludes debt payments which were paid with sinking fund reserves.

(e) The coverage table is for illustrative purposes as required by GAAP. See CFC Bank of America Note.

(f) The coverage table is for illustrative purposes as required by GAAP. See PFC Rate Maintenance covenant in Resolution 17-08 for coverage requirements.

(g) Excludes debt payments which were paid with bond proceeds and federal subsidy payments.

(h) Local Option Gasoline Tax revenues along with funds available in the Local Option Gas Tax Debt Service Fund are sufficient to make annual debt service payments.

(j) Fiscal year 2020, 2021, 2022, and 2023 includes \$5 million, \$4 million and \$5 million, and \$9 million, respectively, in CARES Act grant funding which paid for Airport operations.

DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF PENSACOLA, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALANDER YEARS

Calendar Year	Pensacola Population	Escambia County Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2015	52,191	309,539	7,433,269	24,014	39	40,206	4.7%
2016	53,690	314,788	7,572,855	24,057	37	40,125	4.9%
2017	54,185	315,607	8,044,507	25,489	37	40,234	4.9%
2018	54,583	320,502	8,030,819	25,057	37	39,807	4.0%
2019	54,422	318,174	8,139,527	25,582	37	39,499	3.3%
2020	54,382	318,081	8,831,201	27,764	37	39,828	4.5%
2021	54,312	321,905	9,091,962	28,022	38	38,181	3.8%
2022	54,790	322,390	10,021,493	31,085	37	38,955	3.1%
2023	55,382	324,878	10,934,094	33,656	39	39,066	3.0%
2024	55,030	327,846	11,229,381	34,252	39	39,067	3.5%

Source: Population, personal income, median age and unemployment rate data provide by the Florida Legislature Office of Economic and Demographic Research, Bureau of Labor Statistics, and FloridaWest. School enrollment data provided by Escambia County school system, public relations office.

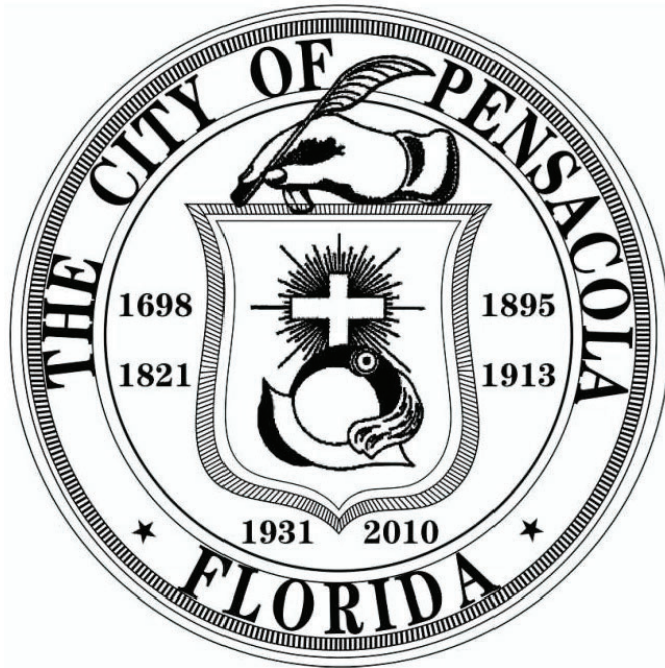
Notes: All data is applicable to Escambia County except for Pensacola population.

CITY OF PENSACOLA, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2024			2015		
	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank	Percentage of Total MSA Employment
<u>Employer</u>						
Local Government	15,100	1	6.34%	14,947	1	7.91%
Navy Federal Credit Union	9,188	2	3.86%	4,707	6	2.49%
State Government	7,600	3	3.19%	4,954	5	2.62%
Federal Government	7,500	4	3.15%	6,476	2	3.43%
Baptist Health Care	5,434	5	2.28%	5,571	3	2.95%
Sacred Heart Health System	4,820	6	2.02%	5,571	3	2.95%
University of West Florida	2,769	7	1.16%	1,922	7	1.02%
Pensacola Christian College	1,584	8	0.66%	-----	-----	-----
Ascend Performance Materials	1,288	9	0.54%	-----	-----	-----
West Florida Healthcare	1,200	10	0.50%	1,200	10	0.63%
Lakeview Center	-----	-----	-----	1,900	8	1.01%
Gulf Power Company	-----	-----	-----	1,774	9	0.94%
Total	56,483		23.70%	49,022		25.93%

Source: Florida West and Florida Department of Economic Opportunity.

Notes: Principal employer information is only available on a calendar year basis and for the Pensacola Metropolitan Statistical Area. Actual numbers are not available, therefore estimates are presented.



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OPERATING INFORMATION

CITY OF PENSACOLA, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type Activities:										
Utility										
Average daily consumption in mmbtu's (b)	10,371	9,748	9,564	10,527	10,167	10,760	11,146	10,410	10,380	10,824
Maximum daily consumption in mmbtu's	32,629	28,093	28,803	39,593	27,795	28,206	28,363	30,049	30,757	33,364
In City customer connections	16,236	15,853	14,461	13,664	13,853	14,021	14,309	14,526	14,959	15,023
Outside City customer connections	41,741	40,788	37,329	35,350	35,821	36,237	36,954	39,687	37,467	37,729
Sanitation										
Customers	19,325	19,535	19,747	19,895	20,402	20,386	20,934	21,029	21,293	21,131
Refuse collected (tons)										
Garbage	14,512	15,395	15,455	15,685	16,510	17,218	18,979	19,691	23,759	38,070
Green Waste	13,001	14,769	13,211	13,281	12,523	13,282	10,706	10,643	12,807	14,121
Recycling (new in FY 2009)	4,805	4,745	4,605	4,141	4,282	3,874	2,936	2,614	598	1,236 (h)
Construction/Demolition (C&D)	1,579	2,202	2,213	1,568	1,739	2,185	2,190	1,914	1,205	1,691
Port										
Tonnage exported	56,696	30,506	54,641	36,269	10,517	597 (g)	4,566	3,199	2,777	1,755
Tonnage imported	161,073	170,503	177,294	78,445	81,893	104,420	173,876	397,902	421,757	338,710
Number of vessels in port	54	51	20	31	29	26	28	46	50	43
Airport										
Mainland carriers	2	2	3	5	5	5	7	7	7	8
Regional commuter services	7	9	10	10	10	9	10	9	9	7
Passengers enplaned	797,854	802,260	834,504	951,751	1,100,121	692,616 (f)	1,041,318	1,223,137	1,328,498	1,521,641
Passengers deplaned	796,204	802,482	834,393	950,920	1,100,445	689,515 (f)	1,036,102	1,217,526	1,322,805	1,508,770
Air freight enplaned in pounds	4,617,580	4,196,031	4,839,066	5,815,192	4,763,078	4,937,432 (f)	5,657,427	5,561,110	4,651,014	4,769,650
Mail enplaned in pounds	2,513	2 (c)	1,202	-	-	-	598	-	-	-
Total flights (private and commercial)	104,400	97,858	114,026	115,268	125,213	107,441 (f)	102,294	120,061	135,684	158,625

Sources: Various city departments.

Notes: No operating indicators are available for the human services function. For those indicators that are null, data is not available.

(a) Data provided is based on estimates.

(b) MMBTU stands for one million British Thermal Unit.

(c) In 2016, commercial airlines have shifted from carrying mail to allow more space for passenger luggage which produces greater revenue.

(d) The increase in participants in the center programs was due to implementation of new programs.

(e) Fire operating indicators were restated for years 2017 and 2018.

(f) In FY 20-21 the City's operations were reduced to due COVID-19 pandemic.

(g) In FY 2020 one of Port's large tenants had a decrease in sales overseas.

(h) In FY 2024 Recycling collection by trucks was stopped but recycling locations for citizen drop off began.

CITY OF PENSACOLA, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
General Government										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	140	140	146	148	149	144	143	145	151	152
Fire										
Stations	6	6	6	6	6	6	6	7	7	7
Apparatus	31	31	31	31	31	32	32	31	31	32
Transportation (a)										
Miles of street	332	332	325	325	325	326	326	326	326	326
Traffic warning signals	60	64	66	66	65	64	66	67	67	67
Traffic control signals	92	92	92	92	92	86	96	101	101	101
Traffic control signs	10,543	10,519	10,536	10,557	10,621	10,959	10,959	10,985	11,005	11,052
Culture and recreation										
Parks and recreation										
Parks	93	93	93	93	93	93	93	93	93	94
Acreage	592	592	592	593	600	600	600	600	600	610
Golf course										
Par	70	70	70	70	70	70	70	70	70	70
Acreage	108	123	123	123	123	123	123	123	123	123
Yardage	6,450	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400
Economic environment (a)										
Street lights	7,798	7,891	7,887	7,906	8,124	9,103	9,508	9,695	9,695	9,715
Street name markers	5,691	5,703	5,709	5,711	5,734	5,749	5,749	5,749	5,749	5,749
Berths	3	3	3	3	3	3	3	3	3	3
Physical environment										
Street Sweepers	7	7	7	7	7	7	7	8	7	7

(continued)

CITY OF PENSACOLA, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

		Fiscal Year									
		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Business-type activities:											
Utility											
Miles of gas mains		1,610	1,621	1,639	1,654	1,719	1,745	1,761	1,789	1,799	1,807
Sanitation											
Collection trucks - residential		11	11	11	10	10	9	8	8	15	15
Garbage											
Collection trucks - trash collection											
Container		2	2	2	2	2	2	2	6	6	5
Grapplers		9	9	9	9	10	11	13	10	13	11
Shuttle		2	2	2	2	2	2	2	2	2	2
Dump		1	-	-	-	-	-	-	-	-	-
Tractor		1	1	1	1	1	1	1	1	1	1
Shuttle trailers		8	8	8	8	8	8	2	2	2	2
Roll Off		-	-	-	-	-	-	-	1	1	1
Rear Loader		-	-	-	-	-	-	-	1	1	1
Collection trucks - residential											
Recycling		6	7	7	5	7	7	5	5	4	0 (b)
Transfer Station											
Tractors		-	-	-	-	-	-	-	7	8	7
Trailers		-	-	-	-	-	-	-	7	7	7
Port											
Warehouses		7	7	7	7	7	7	7	7	7	7
Berths		5	5	5	5	5	5	5	5	5	5
Airport											
Runway 17-35 length and width in square feet		7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150
Runway 8-26 length and width in square feet		7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150
Terminal building in square feet		181,808	181,808	181,808	181,808	181,808	181,808	181,808	181,808	181,808	181,808

Sources: Various city departments.

Notes: No capital asset indicators are available for the economic environment and human services function. For those indicators that are null, data is not available.

(a) Data provided is based on estimates.

(b) The City stopped recycling collection beginning October 1, 2023 (FY 24).

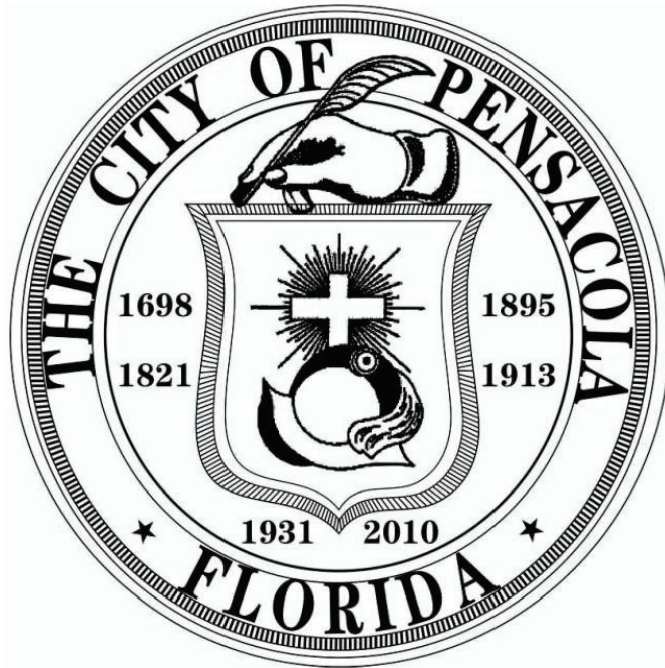
CITY OF PENSACOLA, FLORIDA
FULL-TIME-EQUIVALENT CITY GOVERNMENT POSITIONS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General Government										
Mayor	9	8	8	8	8	11	11	11	12	16
City Clerk	4	3	3	2	2	3	3	3	3	4
City Council	2	4	5	5	5	5	5	5	5	5
Development Services (e)	0	0	0	0	0	0	0	0	2	2
Legal	4	3	3	4	4	6	6	7	7	7
Human Resources	7	7	10	10	10	11	13	13	14	13
Financial Services	27	27	25	25	25	24	24	24	28	27
Planning Services	6	7	8	7	8	8	7	7	5	5
Garage	17	17	17	17	17	17	18	18	17	17
Technology Resources	14	15	14	14	14	14	17	20	20	21
CRA	0	0	2	2	2	2	3	4	5	5
Parking Management (d)	0	0	0	0	0	0	0	7 (d)	7	7
Public Safety										
Police	203	204	204	204	204	205	206	206	210	210
Fire	114	115	116	123 (c)	123	123	125	125	126	126
Inspection Services	11	12	12	12	12	12	12	12	15	15
Transportation										
Public Works	24	23	23	23	23	23	23	23	26	26
Culture and Recreation										
Neighborhood Services (a)	48	47	48	48	48	50	57	62	63	64
Golf Course	4	3	3	3	3	3	3	3	3	3
Economic Environment										
Housing	20	20	20	20	20	19	23	24	24	24
Physical Environment										
Stormwater utility	26	27	27	27	27	27	27	30	32	32
Engineering	8	8	8	8	8	8	9	10	8	7
Code Enforcement (f)	0	0	0	0	0	0	0	0	0	11 (f)
Business-type activities:										
Utility	117	117	117	115	114	114	122	124	128	128
Sanitation	43	43	43	43	43	43	49	51	50	39
Port	9	9	9	8	8	8	9	9	10	10
Airport	53	51	51	53	53	56	57	58	64	64
	770	770	776	781	781	792	830	856	884	888

Source: City Budget Office

Notes: (a) Number of employees represent full time budgeted positions. Parks and recreation has part-time temporary employees to help facilitate programs during the summer.
(b) As part of reorganization, public works employees moved to park works.
(c) Six fire cadets were added with the revitalization of the Fire Cadet Program.
(d) Parking Management Division moved from the Mayor's Office to become Parking Management Department
(e) Development Services Department created in FY2023.
(f) Code Enforcement was included with Sanitation in years past and then separated into their own department in FY2024

OTHER AUDIT REPORTS SECTION



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**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE
FOR THE PERIOD ENDING SEPTEMBER 30, 2024**

Federal/State Agency, Pass-Through Entity, Federal Program/State Project	Assistance Listing Number	Contract Grant Number	Pass-Through Entity Identifying Number	Passed Through to Sub recipients	Total Expenditures	Passenger Facility Charge Revenue
<u>FEDERAL AWARDS</u>						
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>						
High Intensity Drug Trafficking Areas Program	95.001	G22GC0007A			14,255	
High Intensity Drug Trafficking Areas Program	95.001	G23GC0007A			23,517	
Total Executive Office of the President				-	37,772	
<u>U.S. DEPARTMENT OF COMMERCE</u>						
Passed through Department of Environmental Protection	11.419	CZ514			26,851	
Total U.S. Department of Commerce					26,851	
<u>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</u>						
Brownfields Assessment and Cleanup Cooperative Agreement	66.818	02D28822			179,026	
Total U.S. Department of Environmental Agency					179,026	
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>						
<i>Passed through Florida Division of Emergency Management</i> Hazard Mitigation Grant Program	97.039	H0871			19,163	
Passed through State of Florida, Florida Division of Emergency Management: Disaster Grants - Public Assistance - Federal 75%	97.036	Z2566			408,297	
Port Security Grant Program	97.056	EMW-2023-PU-00455-S01			162,315	
Assistance to Firefighters Grant	97.044	EMW-2019-FG-10291			201	
<i>Passed through Florida Division of Emergency Management</i> Emergency Management Performance Grant	97.042	N/A			8,963	
Total U.S. Department of Homeland Security				-	598,939	
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
<i>CDBG-Entitlement Grants Cluster:</i>						
COVID-19 Community Development Block Grant (CARES)	14.218	B-20-MW-12-0016		3,324	126,733	
Community Development Block Grant	14.218	B-17-20/23-MC-12-0016			144,925	
Housing Rehabilitation	14.218	B-17-18/21-23-22-MC-12-0016			263,999	
Aid to Private Agencies	14.218	B-20/23-MC-12-0016		70,000	187,338	
Total CDBG-Entitlement Grants Cluster				73,324	722,995	
<i>Passed through Escambia County Florida:</i> HOME Investment Partnerships Program	14.239	M22/23-DC-12-0225			50,673	
Passed through Florida Department of Commerce Community Development Block Grants	14.228	HS001			45,617	
<i>Housing Voucher Cluster:</i> Section 8 Housing Choice Vouchers Program	14.871	FL092VO0289-0305			20,539,153	
Total Housing Voucher Cluster				-	20,539,153	
Total U. S. Department of Housing and Urban Development				73,324	21,358,438	
<u>U.S. DEPARTMENT OF INTERIOR</u>						
Historic Preservation Fund Grants In Aid	15.904	P23AP01114-00			19,784	
Total U.S. Department of Interior					19,784	
<u>U. S. DEPARTMENT OF JUSTICE</u>						
Bulletproof Vest Partnership Program	16.607	2022BUBX22029600			8,200	
Bulletproof Vest Partnership Program	16.607	2023BUBX23036467			16,941	
Total Bulletproof Vest Partnership Program					25,141	
Passed through Florida Department of Enforcement (FDLE) Project Safe Neighborhoods	16.609	15BJA-21-GG-0310-GUNP			54,541	
Law Enforcement Trust Fund	16.922	N/A			17,090	
Edward Byrne Memorial Justice Assistance Program	16.738	0-BJA-2022-171368			179	
Edward Byrne Memorial Justice Assistance Program	16.738	0-BJA-2023-171790			31,328	
<i>Passed through State of Florida Department of Law Enforcement (FDLE)</i> Edward Byrne Memorial Justice Assistance Program	16.738	15PBJA-21-GG-00241-MUMU			50,322	
Edward Byrne Memorial Justice Assistance Program	16.738	15PBJA-22-GG-00656-MUMU			35,779	
Edward Byrne Memorial Justice Assistance Program	16.738	15PBJA-23-GG-03266-JAGX			40,991	
Total U. S. Department of Justice				-	158,599	
<u>U. S. DEPARTMENT OF TRANSPORTATION</u>						
Airport Improvement Program	20.106	N/A			418,711	
Passed through Florida Department of Transportation Highway Planning and Construction	20.205	G2A64			123,365	
Highway Planning and Construction	20.205	G2E66			79,288	
Total U. S. Department of Transportation				-	202,653	
					621,364	

**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE
FOR THE PERIOD ENDING SEPTEMBER 30, 2024**

Federal/State Agency, Pass-Through Entity, Federal Program/State Project	Assistance Listing Number	Contract Grant Number	Pass-Through Entity Identifying Number	Passed Through to Sub recipients	Total Expenditures	Passenger Facility Charge Revenue
<u>U.S. DEPARTMENT OF TREASURY</u>						
COVID-19 American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds	21.027	NA		487,752	2,107,699	
Passed through Escambia County Florida COVID-19 American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP2107			1,302,546	
Passed through State of Florida Department of Commerce COVID-19 American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds	21.027	G0109			1,165,164	
Passed through State of Florida, Department of State COVID-19 American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds	21.027	UMRAF87HQF5			21,918	
COVID-19 American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds	21.027	WPZ5ZJLN33A9			469,494	
Total U.S. Department of Treasury				487,752	5,066,821	
				\$ 561,076	\$ 28,164,366	
TOTAL EXPENDITURES OF FEDERAL AWARDS						
PASSENGER FACILITY CHARGE					\$ 1,698,306	\$ 6,794,455
<u>STATE FINANCIAL ASSISTANCE</u>						
<u>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>						
Resilient Florida Programs	37.098	22PLN33			113,825	
Total Florida Department of Environmental Protection				-	113,825	
<u>FLORIDA DEPARTMENT OF FINANCIAL SERVICES</u>						
Fire Decontamination Equipment Grant Program	43.013	N/A		\$	\$ 8,685	
Total Florida Department of Financial Services				-	8,685	
<u>FLORIDA DEPARTMENT OF LAW ENFORCEMENT</u>						
Identify Theft and Fraud Grant	71.042	L6013			9,500	
Total Florida Department of Law Enforcement					9,500	
<u>FLORIDA DEPARTMENT OF TRANSPORTATION</u>						
Aviation Grant Programs	55.004	G0Z27			3,817,802	
Aviation Grant Programs	55.004	G2E51			172,257	
Aviation Grant Programs	55.004	G2M52			493,862	
Aviation Grant Programs	55.004	G3134			483,619	
Aviation Grant Programs	55.004	G2E52			37,396	
					5,004,936	
Seaport Grant Programs	55.005	44102729401			72,365	
Seaport Grant Programs	55.005	44102729402			285,348	
Seaport Grant Programs	55.005	42235439404			34,588	
Seaport Grant Programs	55.005	44554819401			72,867	
				-	465,168	
Total Florida Department of Transportation				-	5,470,104	
<u>FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION</u>						
Deepwater Horizon Oil Spill	77.048	FWC21129			1,525	
Deepwater Horizon Oil Spill	77.048	FWC21130			8,022	
Total Florida Fish and Wildlife Conservation Commission				-	9,547	
<u>FLORIDA HOUSING FINANCE CORPORATION</u>						
Passed through Escambia County Florida: SHIP Program	40.901	SHIP 2023-2024			66,378	
Total Florida Housing Finance Corporation				-	66,378	
				\$ -	\$ 5,678,039	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE						

**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE
FOR THE PERIOD ENDING SEPTEMBER 30, 2024**

Federal/State Agency, Pass-Through Entity, Federal Program/State Project	Assistance Listing Number	Contract Grant Number	Pass-Through Entity Identifying Number	Passed Through to Sub recipients	Total Expenditures	Passenger Facility Charge Revenue
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE						

The schedule of expenditures of federal awards, passenger facility charge, and state financial assistance is presented on the accrual basis of accounting in accordance with generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in 2 CFR 200 Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City has elected to use the 10-percent de minimis indirect cost rate as covered in 2 CFR 200.414 of the Uniform Guidance for Federal Awards.

The City has a loan program for low income housing renovations funded through the Community Development Block Grants and a loan program for home reconstruction funded through the HOME Investment Partnerships Program Grants. Under these programs, repayments to the City are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures. There were no new loans disbursed in the fiscal year 2024. The amount of principal and interest received in loan repayments for the year was \$55,262.01 and \$95,986.41 respectively. The balance of the loans outstanding as of fiscal year end consist of:

Community Development Block Grants Assistance Listing number 14.218 \$822,668.61
HOME Investment Partnerships Program Grants Assistance Listing number 14.239 \$564,131.78

- 1 Includes debt service of \$1,698,306
- 2 Includes interest earnings of \$872,089

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and
Members of the City Council
City of Pensacola, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pensacola, Florida ("the City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 7, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Pensacola, Florida
March 7, 2025

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM, STATE PROJECT AND PASSENGER FACILITY
CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE, CHAPTER 10.550, RULES OF THE AUDITOR
GENERAL AND THE PFC AUDIT GUIDE FOR PUBLIC AGENCIES**

Honorable Mayor and
Members of the City Council
City of Pensacola, Florida

Report on Compliance for Each Major Federal Program, State Project, and Passenger Facility Charge Program

Opinion on Each Major Federal Program, State Project, and Passenger Facility Charge Program

We have audited the City of Pensacola, Florida's (the "City") compliance with the types of compliance requirements described in the OMB *Compliance Supplement*, the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement*, and the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, that could have a direct and material effect on each of the City's major federal programs, state projects and its passenger facility charges program for the year ended September 30, 2024. The City's major federal program and state financial assistance projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs, state projects and passenger facility charges program for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program, State Project, and Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs, state projects and passenger facility charges.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); Chapter 10.550, *Rules of the Auditor General*, and the *Passenger Facility Charge Audit Guide for Public Agencies*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and *Passenger Facility Charge Audit Guide for Public Agencies* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Florida Department of Financial Services' *State Projects Compliance Supplement*, and the *Passenger Facility Charge Audit Guide for Public Agencies*, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and *Passenger Facility Charge Audit Guide for Public Agencies*. Accordingly, this report is not suitable for any other purpose.



Pensacola, Florida
March 7, 2025

**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

SECTION I – SUMMARY OF AUDITOR RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified Opinion
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes ☒ No
Significant deficiency (ies) identified?	_____ Yes ☒ None reported
Noncompliance material to financial statements noted?	_____ Yes ☒ No

FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECTS

Internal control over major federal programs and state projects:	
Material weakness(es) identified?	_____ Yes ☒ No
Significant deficiency(ies) identified?	_____ Yes ☒ None reported
Type of auditors' report issued on compliance for major federal programs and state projects:	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a) or Chapter 10.550, <i>Rules of the Auditor General</i> ?	_____ Yes ☒ No

IDENTIFICATION OF MAJOR PROGRAM

Federal Program:

Federal Assistance Listing Number 14.218 – U.S. Department of Housing and Urban Development
– Community Development Block Grants Entitlement/Special Purpose Grants Cluster

Federal Assistance Listing Number 21.027 – U.S. Department of Treasury – American Rescue Plan:
Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	\$ 844,931
Auditee qualified as low-risk auditee?	☒ Yes _____ No

**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

SECTION I – SUMMARY OF AUDITOR RESULTS

IDENTIFICATION OF MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

State Projects:

CSFA No. 55.004 Aviation Grant Programs

Dollar threshold used to distinguish
between type A and type B programs: \$ 750,000

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings which were required to be reported in accordance with *Government Auditing Standards*.

SECTION III – MAJOR FEDERAL PROGRAM AND STATE PROJECT FINDINGS AND QUESTIONED COSTS

There are no audit findings required to be reported in accordance with the Uniform Guidance or Chapter 10.550, *Rules of the Auditor General*.

**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

There were no prior year audit findings.

MANAGEMENT LETTER

Honorable Mayor and
Members of the City Council
City of Pensacola, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Pensacola, Florida (hereinafter referred to as the "City"), as of and for the year ended September 30, 2024, and have issued our report thereon dated March 7, 2025.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); Chapter 10.550, *Rules of the Auditor General*; and *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program, State Project, and Passenger Facility Charge Program and on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 7, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings were reported in the prior year.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the City did not operate a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the City's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of the City provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the City in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Downtown Improvement Board (the Board), a dependent special district of the City, reported:

- a. The total number of Board employees compensated in the last pay period of the district's fiscal year as two.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Board's fiscal year as one.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$164,536.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$9,810.
- e. Each construction project with a total cost of at least \$65,000 approved by the Board that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as – No planned projects.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Board amends a final adopted budget under Section 189.016(6), Florida Statutes. There was a budget amendment that decreased budgeted charges for services by \$15,640 and increased expenses totaling \$21,417 which was offset by a budgeted use of fund balance carryforward. of \$37,120

The specific information reported in the previous paragraph has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Additional Matters

Section 10.554 (1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of This Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Warren Averett, LLC

Pensacola, Florida

March 7, 2025

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

Honorable Mayor and
Members of the City Council
City of Pensacola, Florida

We have examined the City of Pensacola, Florida's (hereinafter referred to as the "the City") compliance with the following requirements for the year ended September 30, 2024:

- (1) Florida Statute 218.415 in regard to investments.
- (2) Florida Statute 288.8018 in regard to the Deepwater Horizon Oil Spill receipts and expenditures.

Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City has complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



Pensacola, Florida
March 7, 2025

**CITY OF PENSACOLA, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FUNDS
RELATED TO THE DEEPWATER HORIZON OIL SPILL
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<u>Source</u>	<u>Amount Received in the 2024 Fiscal Year</u>	<u>Amount Expended in the 2024 Fiscal Year</u>
Florida Fish and Wildlife Conservation Commission		
Deepwater Horizon Oil Spill - Agreement FWC21129	\$ 23,679	\$ 9,975
Deepwater Horizon Oil Spill - Agreement FWC21130	33,226	8,138
Triumph Gulf Coast, Inc.		
Triumph Gulf Coast-Agreement No. 135	-	570
Triumph Gulf Coast- Agreement No. 120	24,921	3,381,672
	<u>\$ 81,826</u>	<u>\$ 3,400,355</u>

Note: This includes funds related to the Deepwater Horizon Oil Spill that are considered state financial assistance not audited as a major project. These expenditures are reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance under Assistance Listing #77.048.

This schedule is prepared on the cash basis of accounting.

See independent auditor's report.

**CITY OF PENSACOLA, FLORIDA
FINANCIAL DATA SCHEDULE
SECTION 8 HOUSING CHOICE VOUCHERS PROGRAM
ASSISTANCE LISTINGS NUMBER 14.871
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Line Item #	Account Description	HCV Program 14.871	HCV CARES Act Funding 14.HCC	EHV Program 14.EHV	Total
	Assets:				
	Current Assets:				
	Cash:				
111	Unrestricted	\$ 2,070,560		7,979	2,078,539
113	Other restricted			16,235	16,235
115	Restricted for payment of current liabilities	41,502		149	41,651
100	Total cash	<u>2,112,062</u>	<u>0</u>	<u>24,363</u>	<u>2,136,425</u>
	Receivables:				
128	Fraud recovery	1,415,190			1,415,190
128.1	Allowance for doubtful accounts - Fraud	(1,320,296)			(1,320,296)
120	Total receivables	<u>94,894</u>	<u>0</u>	<u>0</u>	<u>94,894</u>
142	Prepaid expenses and other assets	8,305			8,305
150	Total current assets	<u>2,215,261</u>	<u>0</u>	<u>24,363</u>	<u>2,239,624</u>
290	Total assets	<u>\$ 2,215,261</u>	<u>0</u>	<u>24,363</u>	<u>2,239,624</u>
	Liabilities:				
	Current liabilities:				
312	Accounts payable <= 90 days	\$ 5,599			5,599
322	Accrued compensated absences - current portion				0
331	Accounts payable - HUD PHA Programs	1,111		149	1,260
333	Accounts payable - other government	34,792			34,792
342	Deferred revenue	94,892		356	95,248
310	Total current liabilities	<u>136,394</u>	<u>0</u>	<u>505</u>	<u>136,899</u>
300	Total liabilities	<u>136,394</u>	<u>0</u>	<u>505</u>	<u>136,899</u>
	Equity:				
508.3	Nonspendable Fund Balance	8,305	0	0	8,305
509.3	Restricted Fund Balance	0	0	16,235	16,235
512.3	Unassigned fund balance	2,070,562	0	7,623	2,078,185
513	Total equity/net assets	<u>2,078,867</u>	<u>0</u>	<u>23,858</u>	<u>2,102,725</u>
600	Total liabilities and equity/net assets	<u>\$ 2,215,261</u>	<u>0</u>	<u>24,363</u>	<u>2,239,624</u>

